Daily Report

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NOTICE TO READERS: An • indicates material not disseminated in electronic form.

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Yugoslavia

Federal—TANJUG reports that President Dobrica Cosic proposed to the Democratic Party, DS, and the Serbian Renewal Movement, SPO, to "take part in the formation of a new coalition government." Cosic expressed the wish that the new government "be made up of experts." The DS "refused" the offer while the SPO said it would "give an answer in two days."

Serbia—Belgrade TV carried President Slobodan Milosevic's statement to a delegation of Belgrade students and professors in which he stated that Serbia "will not fall." He claimed that one of the reasons why everything "has come down on us and is pressing us" is because "we have preserved our integrity and the dignity of our people." TANJUG reports that the students were "utterly disappointed" that Milosevic "did not say a word about the well-known student demands."

Bosnia-Hercegovina

Colonel John Wilson, UN Protection Force member, informed TANJUG that UN experts were unable to continue their work in determining the "technical capability" of Sarajevo Airport due to shooting in the districts. He was unable to say whether the shooting would affect "further efforts" to reopen the airport.

In a news conference, Prime Minister Jure Pelivan told journalists that the new government "is made up of representatives of all three nations..." He stressed that the new government will work "homogeneously" and ministers who "obstruct and thwart" the work will be dismissed.

Czechoslovakia

In a press conference carried by Prague radio following the 17 June talks between Slovak leader Vladimir Meciar and Czech leader Vaclav Klaus to decide the fate of the federation, the two sides announced that they had agreed on how to divide the seats in the federal cabinet between them. While reiterating that the next federal government will be temporary, Meciar admitted that the "minimum" of this government's tenure will have to be "a year and a half." While not offering a timetable of his own, Klaus urged a "speedy, fast solution" to the issue of how long Czechs and Slovaks will live in a common state because the "economic transformation suffers" from the current "uncertainty."

Klaus, Meciar Agree on a Federal Government

LD1706213792 Prague Stanice Ceskoslovensko Radio Network in Czech 1845 GMT 17 Jun 92

[News conference by Vladimir Meciar, chairman of the Movement for Democratic Slovakia, HZDS, and Vaclav Klaus, chairman of the Civic Democratic Party, ODS; intercepted in progress—live]

[Text] [Unidentified correspondent] Gentlemen, could you, both of you, speak of your own proposals for the government policy statement? What are the time relations, and how long could the government last? One year?

[Meciar] Well, if we went along the lines of the current constitutional system that is in force here, then the minimum office of this government, the minimum one, is one and a half years. Provided we do everything possible—because after the completion of the referendum, if it decides negatively, there is still a one year period for the government to go on fulfilling its tasks. As far as the overall horizon in which it is going to act is concerned, in our proposals for the confederative set-up we said that this government would continue working, with the exception of certain alterations to the position of the Ministry of Foreign Affairs.

[Klaus] Well, I have to admit that for me this is a little too optimistic an assumption. I would not be that optimistic, because the development of the state set-up in our country may still acquire its own dynamics and not everything must end or begin precisely with the referendum. I think that there are also other variants, there are variants of agreement and of possible nonagreement, and of a future development that I would not want to forecast now. Therefore, for me, this is a rather optimistic assessment.

[Czechoslovak television correspondent] Czechoslovak Television. You have discussed a Federal Ministry of the Interior. What will it be like?

[Meciar] The Federal Ministry of the Interior will be preserved. The scope of powers and the structure of this body will be discussed tomorrow. So far the priorities have been set—which ministries will remain and which will not. What was described by Mr. Klaus as slimming down the government is happening; it will be much more slim.

[News conference chairman] More questions?

[Unidentified correspondent] I would like to ask whether there is any key on the filling of seats in the Federal Government?

[Meciar] There is an agreement on pairs. These pairs are, for example, the Ministry of Interior-Ministry of Defense, the Ministry of Economy-Ministry of Finance, Federal Premier-Minister of Foreign Affairs, deputy chairmen according to functionality, and so on.

This is the key we have agreed on, that in all cases one [of the pair] will be a citizen of the Slovak Republic, the other a citizen of the Czech Republic. The choice is a matter for political agreement which, I believe, will be reached on Friday.

[Klaus] No, names have not been discussed, but it seems to us that it is possible to balance the importance of individual posts in the Federal Government roughly in this way.

[Unidentified correspondent] I have two questions: Who will be the federal premier? And my second question: Have you discussed the question of laws, their abolition or possible amendments?

[Klaus] I can tell you, we could tell you on which either side insists, who the federal premier should be. We assume that this will be resolved at our talks on Friday. Laws? Well, we did not get to them today, but I would say that one thing is fundamental and important. If any progress was achieved at our talks—maybe we should have said this right at the beginning—then we cannot predestine some other issue and we assume that changes of those laws will be done in the standard method of government proposals and then approved by parliament. So, it is not possible to attempt to amend them in any ad hoc manner without a standard process and proceedings.

[Unidenfified correspondent] You have discussed today concluding a political agreement between the two parties. If you could, at least in outline, please tell us what this agreement will bind the two sides to do?

[Meciar] A political agreement has to have the necessary contents on principles of the future program of the joint government so that we can support this government jointly, because our program aims are different. The political agreement should also agree on the structure of federal bodies and then we want to find a mechanism for discussing possible disputes because both sides have enough power to block any kind of activities in the parliament. And if such moments should arise, how can we avoid them politically or if they should emerge how to solve them in a civilized political way.

[Klaus] If I could add to this: Naturally, the structure of federal bodies will no doubt be decided by the parliament but here we are talking about filling posts in the government.

[Unidentified correspondenta] Could you confirm the information given by Mr. Kovac who told journalists when departing that the Civic Democratic Party or the Czech side should fill the post of premier, the post of foreign minister should be filled by the Slovak side? And my next question: Mr. ODS Chairman Klaus, does the fact that the [Czech National] Council appointed you to the post of forming the Czech Government mean that you are losing the chance for Czechoslovakia to remain united? If I understood correctly, the Civic Democratic Party leadership has decided to nominate (?you) for a post in the Czech Government?

[Meciar] I will answer the first question, if I may: Both sides have expressed an interest in the post of premier. The problem is not that no one wants it—we both want it—but the problem is filling the post. We are linking this to the four posts which exist here today: president, the chairman of the Federal Assembly, federal premier, and chairman of the Supreme Court. We are looking for an agreement on how to achieve equality in these four relationships in order to successfully resolve the post of federal premier.

Concerning a decision taken by the Civic Democratic Party for ODS Chairman Mr. Klaus to be a candidate for the Czech Government, I can only congratulate him; I think this is a very wise step which can only lead to sincere cooperation between the governments of the Czech and Slovak republics, on a balanced principle.

[Klaus] What Mr. Meciar has just said, I think, is enough. There is no need to speculate about it, no doubt all of you in the media will speculate about it why we choose this solution now, this evening, and why we choose this time to tell you.

[Unidentified correspondent] A question for both chairmen: As it seems that some progress has been achieved if compared to talks in Brno and Prague and a dialogue has been started, what is the main reason for this?

[Meciar] Neither in Brno nor in Prague were we short of good intentions but for a long time before that there was no contact between us. You can just imagine a Meciar-Klaus meeting before the election—what would the media have made out of that? Thus, only now are we learning about our programs, we are acquainting ourselves with each other's visions and we are arriving at a conclusion that the basic condition which we can and we must agree on is to respect the constitutional situation and to launch federal bodies in their constitutional form. And let the mechanism of talks then be transferred onto them and then this stops being a matter for political movements.

[Klaus] You know that we went to Brno with this aim and since the beginning we have emphasized the fact that there must not be a situation when we have no government, we have a chaos—in this situation when Czechoslovakia is going through a transformation period when we see the first signals of positive changes in such basic indices as production output, employment, and so on. We have been stressing all the time that we cannot afford to lose a single day. Thus, we have been stressing the need to form the federal government as soon as possible. As we got nearer to this question today, this is only good, as the government has to start functioning as soon as possible. This period without a government is not in order and it cannot be in the interest of anyone whatever his final visions of the future state set-up in Czechoslovakia are. And it is quite obvious that we do have different final visions and we do not hide this in any way, but nothing would be improved if anyone wanted to block the existence of the federal government.

[Radio Bonton correspondent] Radio Bonton. Mr. Klaus, at the last press conference you said that you did not want to take part in a self-liquidating government. Does it mean that you have now rejected participation in the federal government, that the only talks of the federal government will be to prepare a dignified separation of the country.

[Klaus] If we should call the government a liquidation government, if this was done by a consensus between us, then we would have told you so here now. There is no such consensus and I shall leave it to your own judgement why we made this decision.

[Unidentified correspondent in Slovak] Did you discuss at today's talks the issue of support in the election of the president?

[Meciar] Only marginally, the stands are known and are not changing.

[Klaus] Yes, we confirmed the unchanging character of these stands.

[Unidentified correspondent in Slovak] Mr. Meciar indicated the minimum life of the federal government as one and a half years. A question to you, Mr. Klaus: How long do you think the common state will last?

[Klaus] I do not want to speculate as there is an infinite number of definitions of the term common state, as we can see every second at our talks. So I shall not give any timescale. We shall push for a speedy, fast solution of the state set-up issue because people in Czechoslovakia cannot live in this uncertainty and we know well that they do and this is not right. The economic transformation suffers by this considerably and this is not in the interest of anyone of us.

[Unidentified correspondent in Slovak] Did you also discuss today the fate of the Federal Security and Information Service, possibly the federal radio and television?

[Meciar] Yes, the talks touched on these two topics. We do have different views: In the case of the federal television our view is that this institution must be abolished, the federal channel should be preserved—and this channel should be under the administration of two public legal institutions: the Czech television and the Slovak television. This change would insure mutually better cooperation and a mutually better, more objective flow of information. The reservations which we have conveyed in relation to the federal television—both on the way it informs and about content of news—remain unchanged. The ODS's stand was different, so I shall ask Mr. Chairman [Klaus] to tell you about it.

[Klaus] We really think that above all, if the path of a referendum is chosen, then it would be necessary, at least

until the referendum for these federal organs to exist in order to insure the best possible information flow to all citizens of Czechoslovakia.

[Unidentified correspondent] Do you assume that the economic transformation will continue in the same way it started?

[Meciar] Economic questions were equally the topic of the talks but they have not yet been comprehensively discussed. They are being postponed in connection with the preparation of the program statement. We discussed the questions of creation of budgetary rules, questions of tax systems, we discussed the question of incomes of the republics, advantages and disadvantages, what are the advantages of the Czech Republic, the Slovak Republic, and so on. We were acquainted with various numerical data whose truthfulness we shall be checking at home.

[RUDE PRAVO correspondent] RUDE PRAVO. Can you confirm or refute the report that the HZDS is nominating Mr. Filkus and the ODS is nominating Mr. Strasky to the post of premier? Tonight you have been talking about the referendum. Do you have in mind the referendum in both republics or in just one of them?

[Klaus] We truly cannot confirm the names to you because I did not hear the first one you mentioned. I did hear the second name and this name was not mentioned. So it would indeed be useless to talk about these names like this. As to the referendum, we did not agree in how clearly or quickly we can solve the state-administrative arrangement. The fact that we are choosing the question of speedy setting up the Federal Government is a different story, it is a completely different point of view, and a different problem. Naturally, we lay stress that this question should be speedily solved and we are not in favor of it being postponed and letting it loose into the future in an unstructured way.

[Meciar] The solution of these relations is possible in two ways. One is that the Czech and the Slovak National Councils will conclude an agreement between themselves about the state-administrative arrangement which then will either be approved by a referendum or will be the topic of talks of the Federal Assembly. The second path, if the talks we initiated do not take place, is the method of referendum in the Slovak Republic.

[Klaus] But there are certainly more variants. There are even variants outside the referendum which we could imagine.

[Meciar] If we want to remain on safe ground we, on our part, are insisting on these two.

[MLADA FRONTA correspondent] Immediately after the opening of today's discussion, the ODS spokesman, Mr. Schneider, told journalists that a letter was sent to Mrs. Chairman Buresova that Mr. Klaus entrusts Mr. Strasky with setting up the Czech Government. Can one understand in that that there was a breakthrough within a few hours or was the information inexact?

[Klaus] No, we have not stated anything like that.

[Unidentified correspondent] The exact text of the letter is that the main coordinator of the talks regarding the Czech Government is supposed to be Dr. [as heard] Strasky.

[Klaus] And the letter even contains the wording: On my behalf. So it would be useless to speculate about it.

[Unidentified correspondent] Is the name of the Slovak premier known?

[Meciar] Yes, I am the candidate, but will only be premier if the Slovak National Council approves. I consider the step taken by the Civic Democratic Party to be wise, a step leading to straightening-up of the relations and matters.

[TELEGRAF correspondent] Gentlemen, does your candidature for the posts of premiers of republican governments mean that the talks on the state set-up may be transferred to the governments and the Papiernicky [near Bratislava, site of previous talks] circus will continue?

[Meciar] No more Milovy! [in Moravia, reference to site of previous talks]

[Klaus] No, no more Papiernicky! Really. [general laughter] Nor Trencianske Teplice [Central Slovakia, also a site of previous talks]. We are not willing to undergo anything like that. We do not deserve it, not we, nor our public.

[Unidentified correspondenta] There was some shift in the talks today. Do you assume that the talks will end so that you can stand before the Federal Assembly on 26 June?

[Klaus] We set it as our target. Of course, there can still be a lot of dispute or, possibly, breaching of this agreement while writing the government policy statement in detail. We have handed over to our partners, the HZDS, our 13-page draft proposal of the main lines, or main principles as we have labeled it, of the government statement today. They had time to familiarize themselves with it only briefly. Hence, the essential dispute or agreement on the possible government policy statement of this slim federal government is going to take place undoubtedly on Friday from 1100 onwards, if I am not mistaken, in Bratislava. We do not exclude, that this Friday's discussion can make the whole issue more complicated.

[Meciar] I would only like to point out that as far as time is concerned, please, let us take into consideration, that we, both sides, also have to prepare the organs of the republics, governments of the republics, Czech National Council and Slovak National Council. Well, most probably it will not be on 26 June, the Federal Assembly. I appreciate on both sides, however, that there is no attempt to create artificial obstacles to the agreement or to delay the progress.

[Conference chairman] Ladies and gentlemen, I apologize once more for the fact that the press conference started earlier than we originally assumed. This is a sign that the talks are gathering speed. Thank you for your attention.

President Havel Comments on Klaus-Meciar Talks

LD1706222992 Prague Federal 1 Television Network in Czech 2030 GMT 17 Jun 92

[News conference with Czechoslovak President Vaclav Havel and unidentified reporters in Prague—live]

[Text] [Havel] As you know, I have been visited by Mr. Klaus and Mr. Meciar to be briefed on the course of today's coalition talks. They briefed me in great detail, and it stems from their report that certain progress has been achieved; that there are prospects that the composition of a government could be agreed upon between the two coalition partners. Of no lesser significance is its policy statement. As soon as this statement is ready—specifically, the principles of this statement—and as soon as there is some agreement about the composition of the federal government, the chairmen will immediately announce this to me and I will ask whoever is nominated prime minister of the federal government to propose the federal government to me, which I will then have to appoint.

While doing this, I will also take into account the content of the proposed program statement, specifically its principles. Inasmuch as I swore an oath on the Constitution of the Czech and the Slovak Federal Republic, I can naturally only nominate a government that honors this Constitution. This means, I assume, that the policy statement of the new federal government will propose, with regard to the state administrative arrangement, constitutional steps or it will express its political view on the constitutional steps that will lead toward clarifying in what kind of state we will live. These must be steps that are in harmony with the existing Constitution. Depending on this, naturally, is whether or not I will actually appoint this government. We agreed that it is in the interest of all the parties concerned that this is conducted fast and that it would indeed be good if we had a new federal government before the election of the president.

Naturally, it is not out of the question that these talks will be complicated in some way, but for the time being we have the hope that, perhaps, after Friday's deliberations I will be able to take the next step after having made the first step in asking Mr. Klaus to start the coalition talks—namely, asking someone, who the coalition partners will suggest to me, to submit to me a proposal for the composition of the federal government along with a proposed policy statement.

[Moderator] As it is late, only a few questions please.

[Reporter] Mr. President, what is your reaction to the fact that Vaclav Klaus will head the Czech Government?

[Havel] I think this is quite a legitimate and clear decision of his party. I have nothing against this decision.

[Reporter] I have two questions: The first is how do you view the speech made by Mr. Meciar in Vienna yesterday; specifically the fact that he has (?broken) an agreement that you two would keep silent about your face-to-face conversation? Another thing: I did not understood one thing mentioned by Mr. Klaus at a news conference in Snemovni street that there is still some chance for an agreement between National Councils on the future set up of the state.

[Havel] Concerning Mr. Meciar, we agreed on the one hand that the face-to-face meeting we had [on 15 June] was private and that we would not discuss it in public, but on the other hand he has declared several times that he would inform the public about why the Movement for a Democratic Slovakia does not support my candidacy for president. That was one of the topics that we discussed in the course of our conversation, and he obviously kept to his statement that he would inform the public, and he has done so. I have decided not to comment on his various objections to me personally or his arguments in order not to polarize the tension any further. One of his remarks I have to comment on, however, because Mr. Meciar has accused me of creating a second center of power in [Prague] Castle and that this is in variance with the Constitution. To accuse a president that he is in variance with the Constitution is serious, and thus I resolutely protest this and declare that this is not true.

The second question: In my opinion a referendum is the only constitutional way to change our state set up. However, National Councils can also agree on a referendum, it does not have to be a referendum proposed by the Federal Assembly, it can be a referendum proposed by National Councils—this type of an agreement is possible.

[Reporter] Mr. President, it seems to me that you have become the father confessor to whom representatives of political parties and movements come with their wishes and complaints. Do you feel more like the confessor or the coordinator?

[Havel] Naturally, I am prepared to be anybody's confessor. I am prepared to be the coordinator or moderator of various talks. I am prepared to mediate an agreement or consensus, but apart from the role of confessor and moderator, I also the president and as such I perform certain constitutional duties.

[Moderator] The last question: Mr. Bigas, whom I welcome here in his new post as reporter for LIDOVE NOVINY.

[Bigas] Mr. President, today the political parties (?that were here as a coalition) expressed support for a common state. I want to ask: Do you think the present agreement between the Civic Democratic Party and the Movement for a Democratic Slovakia is in support of a common state or in support of separate states?

[Havel] For the time being, no agreement was signed between these parties. If some agreement is going to be signed, it must be an agreement on something the two parties will be able to communicate about. The two parties have different ideas about the future of our state, but they can agree on the process that will lead toward the decision on the future of this state or that will be proposed to the parliaments to be accepted and that would lead toward a decision. The parties themselves cannot decide on this matter. But I see no reason why they should not agree on the process.

[Reporter] Today's talks, Mr. President, changed many things. Did you think, if only to yourself, who you would like to appoint as federal prime minister?

[Havel] Naturally I must be based on political reality, the election results. I cannot appoint somebody as federal prime minister who I think is pleasant or whom I think would perform in the post well, can I? Naturally, I will build on what has been proposed to me, I will consider it. But the right to appoint means that if this person is in my view incompetent I cannot appoint him or her.

[Moderator] Ladies and gentlemen, the president will appear before journalists in the next few days.

Current Slovak Government To Resign 24 June

LD1806091692 Prague Stanice Ceskoslovensko Radio Network in Czech 0900 GMT 18 Jun 92

[Text] The Slovak government will resign at its last session on 24 June, one day after the first session of the newly elected Slovak National Council. This was announced at today's news conference of the Christian Democratic Movement [KDH] in Bratislava by its chairman and Slovak prime minister, Jan Carnogursky.

Jan Carnogursky said the main difference between the approach of the KDH and the Movement for Democratic Slovakia (HZDS) toward the recognition of the sovereignty of Slovakia is the sequence of steps and the inclusion of Slovak as well as Czech efforts for the accentuation of the state constitutional position into the process of European integration. The HZDS procedure is, in Jan Carnogursky's view, contradictory, both by misleading Slovakia into isolation as well as by dividing the common state.

State Bank Not Preparing for Currency Division

AU1806110692 Prague LIDOVE NOVINY in Czech 13 Jun 92 p 3

[Interview with Czechoslovak State Bank Press Spokesman Martin Svehla by Petr Husak; place and date not given: "Savings Are Not Being Transferred"]

[Text] According to our information, a method for franking the money in circulation is not being taken into consideration in the deliberations about dividing the currency. There are so many banknotes in circulation that the whole operation would take weeks. Therefore, there is a great deal of discussion about an option that involves banknotes printed in Czech (20, 100, 1,000) remaining in the Czech Republic and banknotes printed in Slovak (10, 50, 500) remaining in the Slovak Republic. The ratio of the overall value of these banknotes in circulation is, coincidentally, 2:1.

[Husak] Is the Czechoslovak State Bank [SBCS] considering the aforementioned method?

[Svehla] This information probably does not come from the central bank. The SBCS has not taken the aforementioned option into consideration. The Czech Government's crisis scenario involves certain measures in the monetary sphere. However, the SBCS did not collaborate in formulating this scenario. The political negotiations have not reached a level where specific measures in the monetary sphere are being discussed. At the moment, the SBCS is not preparing a technical plan for dividing the currency.

[Husak] Could the State Bank clarify the economic significance of the term "common, but not single currency" being asserted by Vladimir Meciar's economic team at the political talks?

[Svehla] If we are talking about two central banks, we are talking about two states. Sometimes people incorrectly cite the example of a single currency administered by two institutions with full legal subjectivity—the federal monetary system in the United States, the relationship between the Bank of England and the Bank of Scotland, or the German banking system. However, the pound, dollar, and mark are administered from a single center. What looked like manifold decisions on monetary policy in the American, British, or German systems are merely the outward signs and forms surviving from the past.

[Husak] Certain Slovak economists in the Movement For a Democratic Slovakia assert the view that two central independent banking institutions with full legal subjectivity could administer a common currency....

[Svehla] This is absolute nonsense. Decisions on monetary policy would have to be made in two places concurrently—in Prague and in Bratislava. Both sides would have to argue about a compromise at joint meetings held every two weeks. Monetary decisions, however, need to be made by experts independent of political bargaining.

[Husak] Has the SBCS noticed any transfers of savings from Slovakia to the Czech Republic?

[Svehla] So far, we have not seen any signs of this.

Slovak Bank Head Denies Transfer of Capital

AU1806104292 Bratislava NARODNA OBRODA in Slovak 12 Jun 92 p 1

[TK SR report: "Slovak State Savings Bank on Transfers of Deposits: Deliberate Rumors"]

[Text] Bratislava— Branches of the Slovak State Savings Bank (SSTSP) in Slovakia have not registered any extraordinary transfers of deposits to the Czech Republic. SSTSP General Director A. Ondra stressed yesterday that he had the situation examined in all branches in the Slovak Republic. "I think that the rumors about the alleged transfers of deposits from the Slovak Republic to the Czech Republic that have been spreading of late are motivated by a certain intention of some groups of people to bring about an unhealthy climate in Slovakia and to disrupt citizens' trust in our bank," he said. At the same time he drew attention to the continuing tendency to organizationally divide the SSTSP. "What we need today are economically strong commercial banks capable of financing the needs of the Slovak economy, and not vice versa," the general director stressed.

Weiss Promises Support for HZDS Government

AU1806104692 Prague RUDE PRAVO in Czech 12 Jun 92 p 2

[Interview with Peter Weiss, chairman of the Party of the Democratic Left, by Nada Adamickova in Prague on 11 June]

[Excerpts] [passage omitted] [Adamickova] At the meeting in parliament [of representatives of political parties elected to the Federal Assembly held on 11 June] the Movement for a Democratic Slovakia [HZDS] reportedly declared that it would enter the Federal Assembly as a strong party, without a coalition partner. Does that mean that disagreements have come about among the Slovak parties?

[Weiss] I believe that this HZDS position results from the post-election balance of political forces in the Slovak National Council, where the HZDS holds 74 out of 150 seats. This means that it needs only two more votes to have all normal laws passed quite routinely. Based on this fact, prerequisites have been created at talks, which included talks with the Party of the Democratic Left [SDL], for the creation of a certain political agreement in the sense that there is a general interest in having the accumulated problems resolved in a pragmatic way. If the HZDS offers a pragmatic policy statement that meets the basic programmatic aims of our party and if the views of our experts are taken into consideration, then we will see no reason not to give our support to reasonable solutions contained in that policy statement. The prerequisite is, of course, that this will really be a government of experts, as the HZDS has already declared. Under these conditions Mr. Meciar can rely on the SDL's support for all reasonable pragmatic solutions that are conducive to lessening the crisis.

[Adamickova] You said that you might support the government. Whom would you be willing to support as candidate for the post of CSFR president?

[Weiss] [passage omitted] We will discuss this issue at a meeting of the SDL Council where we want to provide information on our talks with the Czech political parties and, of course, analyze President Havel's two years in office.

[Adamickova] In other words, you cannot say either yes or no as regards Vaclav Havel's candidacy?

[Weiss] I believe that it would not be politically responsible in this situation.

[Adamickova] What is it, in your opinion, that prompted the HZDS's demand that the election of the president be speeded up?

[Weiss] I think that this demand is connected with the problem of a speedy appointment of a federal government that would guarantee a functioning cabinet so that a power vacuum is headed off. It may well be that the HZDS's idea is to have the new government appointed by a newly elected president.

Government Talks With German Economic Ministry

LD1706194192 Budapest MTI in English 1743 GMT 17 Jun 92

[Text] Budapest, June 17 (MTI)—Representatives from the Hungarian Ministry of International Economic Relations and the German Federal Economic Ministry held consultations Tuesday and Wednesday [16-17 June] on experiences related to small and medium ventures in Budapest.

Discussions were also held about what role the two Governments can play in assisting small and medium ventures, and how to promote relations between the ventures.

Laszlo Bogar, secretary of state for the Hungarian ministry, told journalists Wednesday that the talks formed part of a series of consultations which began in early 1991, when the agreement on German coal aid valued at DM [German mark] 50 million was signed.

One form of cooperation between the two countries is the existing preferential loan construction—the start loan. Launched last year, the project is planned to run for four years to provide help for Hungarian entrepreneurs setting up small businesses.

The German Government is providing a loan of DM 100 million for start, and the National Bank of Hungary will complement that amount with a forint loan of similar value.

In the course of current consultations, Germany presented an idea on providing assistance for new infrastructure projects which would aid Hungarian small and medium ventures. German representatives also offered to help train entrepreneurs.

Defense Official Holds Talks With Russia's Kokoshin

LD1706205192 Budapest MTI in English 1905 GMT 17 Jun 92

[Text] Budapest, June 17 (MTI)—Lieutenant General Antal Annus, administrative secretary of state of the Hungarian Ministry of Defence, held talks with Andrey Kokoshin, first deputy of the Minister of Defence of the Russian Federation, who was passing through Hungary.

Themes discussed at the meeting, held in the Hungarian Ministry of Defence, included relations between the two ministries and armies, the acquisition possibilities of items required by the Hungarian Army, and the pending questions of the Soviet troops withdrawal.

Kokoshin briefed Annus on the organization and tasks of the recently set up Defence Ministry of the Russian Federation.

Defense Ministry Budget Allocation Assessed

LD1706173892 Budapest Kossuth Radio Network in Hungarian 1400 GMT 13 Jun 92

["168 Hours" program entitled "Who runs the Hungarian Defense Ministry? Dubious tender for military equipment."]

[Excerpts] State purchases mean the greatest business for companies all over the world, since in the majority of cases they are guaranteed deals with safe money and safe profit. [passage omitted]

Competition is greatest among the military suppliers and temptation is perhaps strongest on behalf of the buyers, too. In our next report certain names will be deleted by a bleep in the interest of protecting secrets. The reporter is Tamas Frey:

[Frey] The story, which is about at least 5 billion forints, started at the end of last year, on 27 October, when planes of the Yugoslav airforce bombed Barcs and when it was decided by some recognizing the shortcomings of Hungary's air defense that something had to be done. Democratic Forum [MDF] deputy Lajos Horvath was among these people and it was on his initiative that at least 20 of the Hungarian Air Force planes were to be urgently refurbished in order that, in a similar conflict, the planes should be able to match the attackers. However, the money allocated for the modernization is being spent by the Defense Ministry on other things.

[Horvath] Last fall I prepared a study and as a result of that I suggested an increase of the Defense Ministry budget by 1.5 billion forints for improving electronics in aircraft.

[Frey] But it seems now that the Defense Ministry wants to spend this money differently—or not exactly on what you proposed, although that money was allocated by parliament and the Defense Committee. Is that it?

[Horvath] Yes. According to the original plan, about 10-20 of our aircraft should have been fitted with computers like the F-16 has. [passage omitted] Instead, the planes will remain as they are and the Air Defense Center will have some relief because in the Air Defense Center people will recognize planes, their identity, direction, and movements very easily by radar.

[Frey] Is it true that the Defense Ministry achieved this, that is to use the money for other purpose, in the Defense Committee by taking advantage of your absence from the country at the time?

[Horvath] Yes.

[Frey] There could be two reasons for the Defense Ministry not spending the allocated 1.1 billion forints on the modernization of the MiG-21s but instead buying an earth-based so-called radar system recognizing enemy

and friend, abbreviation IFF [expansion unknown]. These reasons have been kept secret so far. Let us look at the first one.

From the strictly confidential documents obtained by the "168 Hours" program it can be concluded that the Defense Ministry, among others, did not want to modernize the MiG-21s because it is planning to buy American F-16 planes for a large sum. The ministry has so far denied this, justifying the decision by the country's economic situation. As opposed to this, an internal ministerial report proves that negotiations were even carried out in this matter. I quote from the report of Mrs. (Szalusinkszky) which she prepared on the instruction of Major General Nandor Hollosi, deputy commander of the Hungarian Army: In August 1990 I organized the first negotiation in the matter of purchasing F-16s with high-ranking leaders of General Dynamics, for Major General Janos Urban, and Colonel Nandor Hollosi on the basis of their instructions.

So the Defense Ministry does plan to purchase F-16 planes. The other reason why they spent the money on something else could be that the 1.1 billion forints came just in time for obtaining the above-mentioned IFF radar system. The ministry has invited a sealed tender, but it probably made mistakes along the way. On one hand—and documents in my possession prove this—it was kept hidden from the parliamentary Defense Committee that [word deleted] equipment worth one billion forints could be found which the Defense Ministry bought at the beginning of 1990 from the then still existing Soviet Union and which probably would solve the problem satisfatorily.

Besides this, another mistake was that the sole Hungarian IFF manufacturer, the Hiradastechnikai RT, was not even sent a copy of the tender, because as leaders of the company told the "168 Hours" program, they only managed to obtain it two days ago through great difficulties and internal fights. They wanted to exclude them totally. Who knows why? The Hungarian suppliers would give the same product for a quarter of the price of Western suppliers, for example, the French Thomson company. The very same Thomson, which has continually bombarded the Defense Ministry with its catalogues since the end of last year, it seems not without success. Incidentally, the key conditions of the invitation to tender show conspicuous similarity with the technical parameters of the Thomson equipment. [passage omitted]

The director of the IBS firm representing German contenders wrote the following about all this: The fact that the tender corresponds precisely with the Thomson offer creates the impression that the supplier had already been chosen, that is, Thomson. If this is so, it could harm the Hungary's prestige and could have a detrimental effect on future invitations to tender. [passage omitted]

It is a fact that from among the participants in the tender, it was only Thomson who was allowed to carry out radar-technical measurements using the equipment in the Pestvideki engineering factory. [Passage omitted]

Thus, while a French firm, with the permission of the Hungarian Defense Ministry, can examine Hungarian IFF equipment presently in use, the Hungarian parliament cannot even examine the stocks which are presently not in use. According to some, measurements carried out by foreigners are dangerous for they might come into possession of secret military codes. [passage omitted]

As to what relations tie the Hungarian military leadership to the Thomson firm and whether it is dangerous or not, it is difficult to tell. But it is a fact that Defense Minister Lajos Fur visited the French firm on 4 June during his Paris visit. [passage omitted] The minister alleges that he has only just heard about the whole affair.

[Begin recording] [Frey] When did you hear about this affair?

[Fur] I cannot tell you exactly.

[Frey] A week ago?

[Fur] One week ago, two weeks ago, I do not know.

[Frey] Did you hear it from the papers?

[Fur] No, no, no, from a parliamentary deputy.

[Frey] But not in written form?

[Fur] No. [end recording]

The editorial of the "168 Hours" program has obtained the copy of a letter written in one copy only, which somewhat contradicts the minister. According to this, Lajos Fur was informed about the details of the affair more than three weeks ago, on 18 May, by the chairman of the Defense Committee, Dr. Gyorgy Balogh. He, incidentally, to avoid any later misunderstandings, also sent a report to the prime minister's office. We have the document. [passage omitted]

Premier 'Optimistic' About Forming New Cabinet

LD1706205292 Warsaw PAP in English 1931 GMT 17 Jun 92

[Text] Warsaw, June 17—Prime Minister Waldemar Pawlak told newsmen Wednesday [17 Jun] before an evening round of consultations on government formation that he was optimistic about the chances for appointing a cabinet.

He stressed that despite the lack of a final protocol the economic experts of the Polish Peasant Party, the Democratic Union, the Liberal Democratic Congress, the Polish Economic Program and the Confederation for Independent Poland which are trying to forge a ruling coalition managed to reach some agreements.

Pawlak added that certain issues can be settled in detail only during talks conducted by politicians representing the four parties.

Referring to President Lech Walesa's intention to help form a new government Pawlak opined that the president's proposal to appoint acting heads of key ministries "might stimulate coalition talks". He stressed, however, that the president had not mentioned any names.

The prime minister also stated that the participation in the government of the Confederation for Independent Poland depended on the decision of that party's leadership. As for the possible participation of other groupings so far refusing their support for his government-forming mission, Pawlak said he did not intend to wait infinitely.

Pawlak Ends Talks To Decide on Economic Plan

LD1706193892 Warsaw Third Program Radio Network in Polish 1900 GMT 17 Jun 92

[Text] A meeting of the leaders of the Polish Peasant Party [PSL], the Confederation for Independent Poland [KPN], and the small coalition ended 20 minutes ago in the Sejm building. It was agreed that Premier Pawlak would meet members of parliamentary floor groups of these parties to discuss a new government economic program and divergences of opinion on economic issues. Premier Pawlak said after the meeting that the political talks would continue, but economic issues would no longer be discussed.

Leszek Moczulski did not rule out the possibility of other center-right parties joining the coalition supporting Pawlak.

Prime Minister Pawlak Discusses Policy Issues

AU1806102992 Warsaw RZECZPOSPOLITA in Polish 11 Jun 92 pp 1, 2

['E. Cz., P.W.R.'-signed report: "The Prime Minister Visits RZECZPOSPOLITA"]

[Text] According to Prime Minister Waldemar Pawlak, the function of the mass media should be to provide news that should always be true, irrespective of whether it is good or bad. The mass media should be guided by two general principles: Independence and responsibility for what they say. "The quantity and scope of reporting should be commensurate with the scale of the subject matter, so as not to arouse emotions needlessly," said Waldemar Pawlak, who visited our offices on Wednesday, 10 June. The prime minister gave assurances that he does not intend to curtail our independence, but would be inclined to strengthen it. In his opinion, RZECZPOSPOLITA enjoys a high standing thanks to the fact that the publication remains above "the emotions, divisions and obstinacy whose growth we have recently witnessed."

On the Dismissal of Minister Wlodarczyk

On Wednesday [17 Jun], Waldemar Pawlak recalled Wojciech Wlodarczyk from the ministerial post of head of the Office of the Council of Ministers.

"Minister Wlodarczyk systematically declined to carry out the instructions that he was given. This made it very difficult for the office to function. Despite repeated requests that he should kindly carry out my instructions or go on leave, he did neither one or the other. In view of this, I advised him to cease performing his duties and leave the Office of the Council of Ministers, is what the prime minister said about his decision.

The prime minister wrote to Speaker Chrzanowski requesting that Minister Wlodarczyk refrain from performing his duties until a decision is made by the Sejm. According to the prime minister, state officials should primarily be guided by loyalty to the state and the organs that are constitutionally empowered to issue decisions and not by loyalty toward persons or narrow interest groups.

"There is a right time for entering on the scene and a right time for withdrawing from it. I think that the one and the other should be done in a dignified manner. That is a principle that should be binding on all politicians," he said.

On Building a Coalition

Waldemar Pawlak said that the statement made by Krzysztof Krol on Radio "Zet" on Wednesday means that "the KPN [Confederation for an Independent Poland] has launched a new strategy." The prime minister conceded that ideas were being considered in the event that the KPN should make a defensive move, but he will not divulge them so as not "to make our opponents' job easier." He talked about general principles for the distribution of influence between the prime minister and the president as well individual groupings in the governing coalition. In accordance with the concept, appointments to posts in the Ministry of Internal Affairs, the Ministry of National Defense, the Office of the Council of Ministers, the Central Planning Administration, the Main Office of Statistics as well as radio and television will be decided by the prime minister in

conjunction with the president. The Democratic Union and the KPN would have a decisive role with respect to foreign policy, and the Polish Peasant Party and the Liberal-Democratic Congress would have a decisive role with respect to the economy. The prime minister said he hoped that agreement on economic issues would be possible and that the will to reach such agreement was evident during the coalition talks. The greatest antagonism that had emerged to date was between the Democratic Union and KPN and the KPN and the Liberal-Democratic Congress.

On Foreign Affairs

Asked whether there can be agreement on the conduct of foreign affairs between the Democratic Union and the KPN, which does not identify with the concept of Poland's integration with the European Community, the prime minister replied that during Tuesday's talks, all the groupings had agreed that their goal was integration with the European Community.

"It is not only a question of the unconditional acceptance of the treaty on association, but also of surrounding it with structures that will allow us to make use of our potential and the opportunity that the treaty provides. This solution has been accepted by the KPN," he said.

On Wednesday, the prime minister held a meeting with Foreign Minister Krzysztof Skubiszewski. He admitted that he is a potential candidate for the post of head of the Ministry of Foreign Affairs and added: "There are many reasons why continuity in foreign policy should be based not only on principles, but also on persons, but that does not depend solely on me."

On the Economy

Waldemar Pawlak was asked whether if he succeeded in his mission, Poland would face another round of new regulations in various spheres of economic life and whether the basic framework of the legislation introduced by the three previous governments would be maintained. He replied that he was himself aware of how irritating instability in legal regulations was, "especially when tax regulations appeared in April or May, but had been in force since January." He stated that there was a good opportunity this year for tax regulations and the budget to come into force according to schedule, that is, "so that the budget for 1992 appears this year." He added that many elements that are important from the viewpoint of the state will be continued. As soon as the formation of the government is completed, the prime minister intends to start negotiations with with the IMF, with the aim of "reviving contacts in a very practical manner."

Asked if he was not afraid that protecting the domestic market and stimulating output would lead to a situation in which there would be no competition, Pawlak said: "The negotiations between General Motors and the automobile plant provide an excellent example. The Americans agreed to invest on condition that a 35-percent import duty is imposed on automobiles imported into Poland. A liberal government rapidly introduced such tariffs. I think that we have to learn from those who achieve good results in the economy."

He also stressed that we are vigorously implementing privatization, starting with the privatization of those enterprises that functioned the best under the system of state management. However, according to the prime minister, there have not been any changes in the ways in which enterprise assets are managed. "In this respect, no process of adapting to market mechanisms has occurred. Only financial mechanisms have been released. There is no reason why we should seek any unusual solutions—it is enough to take a look at how state assets were managed in Poland before the war or how they are currently managed in other European countries," he said.

Pawlak Requests Recall of Cabinet Office Head

LD1706143692 Warsaw Third Program Radio Network in Polish 1300 GMT 17 Jun 92

[Text] At a meeting of the the Council of Elders, Sejm Speaker Wieslaw Chrzanowski announced that he has received an application from Prime Minister Waldemar Pawlak to recall Wojciech Wlodarczyk from the post of head of the office of Council of Ministers at the next Sejm sitting. The prime minister also told the speaker that in the immediate future he will submit an application to recall Antoni Macierewicz from the post of minister of the interior. This information was transmitted by Jolanta Kucharska and Grazyna Dobron.

May Figures Show Continuing Economic Decline

LD1706225492 Warsaw PAP in English 2212 GMT 17 Jun 92

[Text] Warsaw, June 17—Poland's budget deficit widened in May, and the financial situation of Poland's state-owned enterprises continued to worsen, according to a report issued on Wednesday by Poland's main statistical office (GUS).

The budget deficit at the end of May was 13.2 trillion zlotys (970 million dollars), an increase over the month of 1.7 trillion zlotys (125 million dollars). The latest figures for the state sector of the Polish economy show accumulated losses of 5.6 trillion zlotys (412 million dollars) in April, with the industrial sector showing losses of 7.9 trillion zlotys (580 million dollars), compared with first quarter losses of 5.8 trillion zlotys (426 million dollars). Industrial sales fell by almost 6 percent.

However, the construction industry showed some improvement and posted a 3 percent increase in sales over April's figure. But the number of flat completions in May was 5,700, an 11.2 percent fall on April, and some 31.4 percent lower than a year ago. The number of flats under construction was also lower by 0.8 percent.

Prices of goods and services rose by 4 percent in May, with food prices rising by 4.7 percent, the highest monthly increase this year. However, wages fell, with average earnings in the industrial sector 5.3 percent lower, at 2.3 million zlotys (167 dollars). Old age and disability pensions rose by 2 percent, to an average of 1.5 million zlotys (114 dollars).

Onyszkiewicz Discusses Soviet Troop Pullout

AU1806073692 Warsaw POLSKA ZBROJNA in Polish 15 Jun 92 pp 1, 2

[Unattributed report: "Janusz Onyszkiewicz tells POLSKA ZBROJNA"]

[Text] The date of the pullout of combat units of the former Soviet Army given in the communique—1 January 1993—is rather loose. I am sure the Russian side wants to evacuate these forces as soon as possible for various reasons, including financial ones. They cannot afford to keep their forces in Poland because all accounting is being performed in convertible currency, and it is becoming increasingly expensive for them to keep their forces here. From what General Dubynin has said, it looks as if the evacuation process will proceed rapidly, and the remaining 6,000 troops who will remain here to maintain communications and guarantee conditions for an efficient evacuation will themselves be evacuated quickly.

I hope General Dubynin, as chief of the Russian General Staff, will take with him a positive impression of Poland.

As for the map given to us by the Russian side, it does not seem to contain any confidential information. Whether this information will be revealed depends on a decision by the Polish General Staff, after consulting the Russian side.

In Poland, Mr. Dubynin was a soldier and a general first, and a politician second. For many years the post of chief of the northern group of Soviet forces was purely a military one. But recently it also became a political one. The general is well-known for several statements that have understandably caused a great deal of confusion and controversy. But I remember General Moyseyev, who visited us once as chief of the Soviet General Staff, saying that General Dubynin is a military man more than anything else, and anything political he might say should be viewed solely in a military context.

I think our future cooperation with the Russian forces under General Kovalov will be good because the main political decisions and the other decisions, in the form of various protocols, including the agreement on the pullout of the forces from Poland, have already been reached. We are already standing on solid ground. The field of conflict, which existed far too long, has been eliminated. It is good that the agreement has been concluded in such a form, in accordance with our starting position. I remember my conversation with Minister Kozyrev (literally a few days before the putsch), at a time when the Soviet Union still existed in a formal sense and it was clear that a breakthrough had been made. We met in Budapest, and already then I renewed my suggestion of a zero option. He displayed a great amount of understanding. I am pleased things ended the way they did.

Right now the pullout of the Soviet forces from Poland is a technical and supply operation. The facilities left vacant have to be taken over, and that is a huge burden for our Army. It could cost our Army a lot of effort and money because all the local government bodies expect the Polish Army to look after these facilities. But we do not have enough manpower and resources for this task. The Army must keep in training. It cannot be given an increasing amount of guard duties. This is something that the government will have to decide. After all, the chief task of our Army should not be the guarding of facilities it does not need.

Onyszkiewicz Against Political Use of Army

LD1806100192 Warsaw Radio Warszawa Network in Polish 0605 GMT 14 Jun 92

[Excerpts] Janusz Onyszkiewicz, secretary of state and head of the Defense Ministry, has said farewell in the name of all soldiers to former Deputy Minister Romuald Szeremietiew. There were thanks, good wishes, and wine. In a word, the atmosphere in which gentlemen ought to meet and bid each other farewell, irrespective of their convictions and points of view. [passage omitted]

Mr. Onyszkiewicz has also found the time to speak into the microphone for our reporter:

[Begin recording] [Onyszkiewicz] To soldiers, I want to say one thing: I hope my activities contribute to the calming of the mood of apparent uncertainty that exists in the Army, a mood that has existed for some time. I want to establish the conviction that the Army really will not let itself be used for any political games and that the Army is an instrument of the state. The trust placed in the Army is a well-placed and justified. A third thing is the issue of the reconstruction of certain apparent mechanisms of cooperation between the Defense Ministry and the president and his office, and between the Defense Ministry and the Foreign Ministry. This is because the cooperation of these two ministries and the office of the president is necessary for the effectiveness of our defense and foreign policy. The matter of the security of the state is a matter that cannot be the subject of party games. This must be quite simply a component of an above-party national accord, and on this basis I feel that this sort of cooperation is possible and will be realized.

[Unidentifed correspondent] Minister, do you intend in the near future to make any sort of personnel changes?

[Onyszkiewicz] To be sure, some personnel decisions will have to be made. I would like to take a look at these nominations that have ensued in the recent period, that have not in many cases even come into force. I would

like to take a look at them in order to simply check if these personnel decisions were decisions based on the real, substantive attributes of the persons nominated, or whether these nominations depended on certain political sympathies. In any case, as I have always said, the defense ministry should be free of these political maneuvers, people there should be promoted on the basis of their real abilities and not on the basis of their poltical sympathies. This does not mean, of course, that a minister or deputy ministers cannot have political sympathies. This will now be resolved at the political level, but all the officials of the ministry, including the highest ones, ought to be functionaries of the state and not political activists.

[Correspondent] The last question, minister. The wishes of the minister on the new road?

[Onyszkiewicz] I hope everyone wishes that I succeed in assuring the efficient functioning of the Armed Forces and that there not be an atmosphere of uncertainty in the ministry . I declare a readiness to undertake personnel matters with great sensitivity. I have no desire to carry out a purge in the ministry or in the Armed Forces. I have no desire to shift people around like pieces of furniture. I have no desire to buy furniture as well. I judge that I will succeed. I wish everyone wishes me this and assists in bringing about a situation in which the Army really be an efficent instrument of the state. [end recording]

Government Needs $260 Billion for Environment

LD0906213592 Warsaw PAP in English 1737 GMT 9 Jun 92

[Text] Warsaw, June 6 [date as received]—Poland needs an investment of around 260 billion dollars in the next 10-15 years to come up to the ecological level of the European Community, according to a preliminary estimate from the Environment Protection Ministry, Marek Nowakowski from the ministry told a senate committee on Tuesday.

Until 1991 investments in the environment were financed 94 percent by Poland and 6 percent from abroad.

The senate committe on reviewing the law ratifying the European agreement also discussed the points of the treaty concerning education and science. The government plenipotentiary for European integration and foreign aid, Jacek Saryusz-Wolski, said that despite slender resources it was already possible to undertake joint scientific research and exchange scientists.

The Polish education system had to reach the EC level within the next few years, he added. It was important that Polish diplomas be recognised by the EC countries.

Iliescu Returns From Brazil, Makes Statement

AU1806060992 Bucharest ROMPRES in English 1901 GMT 17 Jun 92

[Text] Bucharest ROMPRES, 17/6/1992—Romania's President Ion Iliescu returned to Bucharest on Wednesday [17 June] afternoon from Brazil where, over June 11-14, he attended the UN Conference on Environment and Development in Rio de Janeiro.

In a statement made to the press at the Otopeni Airport upon his arrival, President Ion Iliescu pointed to the importance of the UN Conference on Environment and Development he proceedings of which he attended, as well as of the contacts he had with heads of state from Latin America in the first place.

The dialogue with politicians, with representatives of business circles in Brazil evinced "the real interest of the Brazilians in developing economic relations with Romania."

Concluding his statement the Romanian head of state welcomed the adoption by parliament of the law setting the date of legislative and presidential elections and their simultaneous holding considering it as "a constructive, positive echo of the talk with representatives of political parties held at Cotroceni Palace. I hope this to be auspicious for the atmosphere during the election campaign."

Party Leader Coposu Interviewed on Elections

AU1806081792 Bucharest DREPTATEA in Romanian 12 Jun 92 pp 1, 2

[Interview with Corneliu Coposu, president of the National Peasant Christian Democratic Party, by Adrian Patrusca; place and date not given: "Mr. Coposu Asks Mr. Iliescu To Finally Make a Democratic Gesture"]

[Text] [Patrusca] Mr. President, what are your impressions after meeting with Mr. Iliescu and the other party leaders on Wednesday, 10 June, at Cotroceni?

[Coposu] After the Democratic National Salvation Front [FDSN] and its acolytes, that is, the Agrarian Democratic Party of Romania [PDAR], the Romanian National Unity Party [PUNR], the Ecologist Movement of Romania [MER], and the National Liberal Party [PNL]—on the basis of a joint vote in parliament—succeeded in blocking the electoral law, President Iliescu invited the chiefs of political formations to decide on a date for the organization of parliamentary and presidential elections. Each of the invitees expressed his opinion. Prime Minister Stolojan presented a pretty balanced schedule which started the elections on a closer date than any other date resulting from the blockage so far, a date that permits the fulfillment of all formalities regarding the elections and the election campaign.

We agreed with the proposed date (27 September) provided, but the parliamentary and presidential elections would be held separately. In our opinion, presidential elections adversely influence parliamentary debates and elections, which ought to take place on the basis of competition between doctrines and not between people. This separation probably will not be accepted by the parliament or the government. Anyhow, we emphasized that this would be very useful and beneficial, and we requested that presidential elections be held one or two months after the parliamentary elections. The reason cited, saving funds, does not stand if we consider how much is wasted in other areas.

[Patrusca] At Cotroceni you made a few remarks about the electoral laws...

[Coposu] In our opinion, the current election laws are regressive when compared with former ones. This characteristic results from the restrictions on domestic observers who are restricted to such an extent that they are unable to do their duty with the obvious aim of eliminating them, something that has already taken place through the adoption of the draft law in the Senate. To save appearances, the Assembly of Deputies pro forma approved of the existence of a single national observer per polling station; it is obvious, however, that a single observer would not be able to cope with his duties for 24 hours without interruption. On the other hand, national observers are not entitled to participate in all the stages of the elections.

At the same time, political parties are also prohibited from being present when the election forums are set up, as previous laws stipulated.

On the other hand, an electoral ceiling was decided; from an initial 4 percent it was reduced to 3 percent; however, it differs in accordance with what formation is running and can be increased up to 8 percent. This provision is at variance with the very letter of the constitution because it violates the equality of the ballot. A voter is called upon to cast his vote for a ticket with a 3-percent ceiling, while another voter has to vote for a ticket with an 8-percent ceiling.

In addition, independents are prohibited by law from running on the ticket of political formations and alliances and, through an amendment to the given law, the Democratic Convention is not permitted to use its name and symbol.

Briefly put, especially through the amendments adopted, the election law is directed against the opposition, the Democratic Convention, independent intellectuals, and against the electorate. The election law is a regressive law. We have advised President Iliescu to return it to the two chambers of parliament to be discussed again since there is enough time now to amend it at least as far as strictly antidemocratic provisions are concerned, because they will be unfavorably commented on at home and abroad.

As far as separate elections are concerned, there are serious arguments for separate presidential elections. We

are talking of two completely different kinds of elections. Parliamentary elections could be held without coupling them with the presidential ones. There is no other reason except the pretext of additional expenses.

Finally, if there are no such violations and violence as during the 1990 election campaign, the Democratic Convention will certainly win a sufficient number of votes that will permit it—within the next parliament—to apply the alternative it has worked out.

During the discussions at Cotroceni, all kinds of people made statements, some of which completely lacked any political sense and measure. I think that eventually 27 September will be accepted by everybody.

[Patrusca] At the end of the meeting at Cotroceni, you told Mr. Iliescu that he has the opportunity to send the election laws back to the parliamentary chambers for further discussion, something that would be a last democratic gesture by him.

[Coposu] A democratic "swan song."

[Patrusca] Exactly. Do you think he is going to comply with this request?

[Coposu] No, of course not! It is not in his interest! He is looking after his own electoral interest. However, it would be a gesture whereby he would demonstrate that he has also noted the nondemocratic provisions of the law. The correctness of the elections seems to be an indispensable clause for gaining access to international financial institutions and for unblocking the funds that have been promised to us. It is not only the organization of the elections that is of interest, but also the quality of the elections. These elections have to be absolutely free and honest. If this is achieved, then Romania's situation—which is catastrophic—will probably improve, especially if a legitimate and representative parliament is the result.

[Patrusca] In connection with the correctness of the elections as compared with the preceding ones, Mr. Iliescu displayed a somewhat distorted view on Wednesday. Probably referring to the events during his visit to Salaj, he spoke about groups of shock forces "taken to here and there" by "certain circles." In your view, what did he mean to say by this?

[Coposu] I do not know, it was not very clear. It was probably a sort of nostalgia for the shock groups he manipulated during the 1990 elections when we were constantly subjected to aggression; several times, I myself was threatened with being lynched. At that time, it was impossible for us to go to rural areas, where we were met by groups of people belonging to the periphery of society paid by the FSN. I am asking myself from what sources. They probably also used the "Libertatea" fund, the money of the General Union of Romanian Trade Unions, and the tremendous wealth of the Romanian Communist Party. They were genuine mercenaries with a monthly salary who had nothing else to do but makes their appearance with cudgels and axes when the candidates of the opposition tried to get to rural areas. We were able to get past such individuals only in the evening when all of them were dead drunk.

Shooting Disrupts UN Inspection of Airport

LD1706125492 Belgrade TANJUG Domestic Service in Serbo-Croatian 1146 GMT 17 Jun 92

[Text] Sarajevo, 17 Jun (TANJUG)—UN experts trying to establish the technical capability of Sarajevo Airport, which is due to reopen soon, could not continue their work today, because, as Colonel John Wilson, member of the UN Protection Force [UNPROFOR] team told TANJUG, shooting started in districts around the airport this morning.

Col. Wilson could not specify what is happening at and around the airport because no one from his team went there. A group of UNPROFOR military observers, which left Belgrade yesterday, has arrived in Lukavica, Wilson added. Because of shooting, it has been impossible to transfer the observers to the UNPROFOR Building, which will be done as soon as conditions for this have been created.

Col. Wilson did not dwell on whether today's shooting will have implications with regard to further efforts to lift the blockade of the airport.

UN General 'Held Hostage' at Lukavica Barracks

LD1806081292 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 18 Jun 92

[Text] According to the Sarajevo Security Services Center, one of the most intense artillery attacks on Sarajevo raged throughout the day, subsiding soon after midnight. Hundreds of artillery shells landed on Sarajevo's Dobrinja and Aerodrom districts since 0500 yesterday. Many apartments were destroyed. Two people died and a considerable number sustained injuries. The defenders destroyed four armored carriers and two tanks. Pitched battles were waged until midnight on every street, at every building. Last night the shells fell on the heart of the city and on Sarajevo's old quarter. Only sporadic explosions reverberated after midnight.

The aggressor is deploying fresh forces at Sarajevo airport. General MacKenzie, commander of UN Protection Force in Bosnia-Hercegovina, has for days been held hostage by the war criminal Ratko Mladic in the infamous Lukavica Barracks. He cites security reasons as his explanation while using MacKenzie as a human shield against the Sarajevo defenders' response.

The center of Sarajevo is calm at the moment but there is a great deal of fear and anxiety among the people in Sarajevo in the wake of yesterday's events.

First French Aid Convoy Arrives in Sarajevo

LD1806112692 Belgrade TANJUG in English 0940 GMT 18 Jun 92

[Text] Sarajevo, June 18 (TANJUG)—The first relief convoy of the Lyon-based organisation "Equilibre" arrived on Thursday [18 June] morning in Sarajevo, the capital of war-wracked Bosnia-Hercegovina, United Nations Protection Force [UNPROFOR] spokesman in Sarajevo said.

The convoy was held up for 36 hours near Sarajevo because of the fighting between the warring sides. The 31-vehicle convoy is carrying 180 tons of medicaments, food and other products Sarajevo's civilian population needs, SRNA, the news agency of Bosnia-Hercegovina Serbs, reported.

Three charity clubs—Dobrotvor, Caritas and Merhamet—representing the three constituent Bosnia-Hercegovina nations, the Serbs, Croats and Moslems, and their three religions, the orthodox, Catholic and Islamic, will take over the convoy and distribute the packages to Sarajevo citizens.

The convoy is accompanied by journalists, who are reporting on its journey from France to Sarajevo.

Pelivan Says Government Represents All Citizens

LD1706193392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1553 GMT 17 Jun 92

[Text] Sarajevo, 17 Jun (TANJUG)—The newly formed government of Bosnia-Hercegovina is made up of representatives of all three nations, and the members of it are highly qualified and will be able to produce the expected results. This was stressed by Prime Minister Jure Pelivan at a news conference today.

In the coming period, Pelivan said, the government will be working on "activating all forces in the defense of the sovereignty and integrity of the young state and in ensuring essential supplies for the people," where the greatest problems are at the moment.

Pelivan also announced that the Bosnia-Hercegovina dinar, which is already being printed, will be shortly introduced as what he described as a transitional currency "until the country is liberated." At that point, he said, we will introduce a single currency for the whole republic.

Asked by journalists how consultations were carried out concerning the representation of the Serbian nation in the government, since the Serbian Democratic Party and Serbian Renaissance Movement did not take part, Pelivan said the government was formed on the basis of talks and consultations with seven parliamentary parties. Four of them, according to Pelivan, have representatives of the Serbian nation and "in this way Serbians are represented in the government."

Minister for Renewal Ugljesa Uzelac, feeling bound to account for himself, said he had come into the government after being invited to be a citizens' representative. This did not mean, he added, that he considered himself a representative of the Serbian nation in the government.

The new government, Jure Pelivan said in conclusion, will work homogeneously, and he said he would dismiss

ministers who obstruct and thwart the work of the government, as was the case with the former government.

Defense Ministry Condemns Renewed Serbian Attacks

AU1706201792 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1700 GMT 17 June 92

[Text] Even in the last 24 hours the enemy has not lessened the intensity of his aggression against our republic and its capital. The border regions of Brcko, Gorazde, Tuzla, and Doboj were also attacked by mortar shells. All our lines of defense were defended. Nothing is sacred to the enemy—people, women and children, buildings of cultural value, humanitarian purposes—anything, just like the Serbs would not have lived here and would not have continued to live here.

According to the agreement between Ratko Mladic, commander of the armed forces of Serbian Bosnia-Hercegovina, and Radovan Karadzic, president of the presidency of the Serbian republic of Bosnia-Hercegovina, the aggressor launched a sharp attack on Sarajevo this morning with the military assistance previously requested and received from Serbia. An attack on the Sarajevo Airport that would later be ascribed to the Territorial Defense forces was also staged. The Bosnia-Hercegovina defense minister sent a sharp protest to Colonel Wilson of the UN Protection Force concerning the passive attitude that his units displayed with regard to this morning's situation, is reported by the Information Service of the Bosnia-Hercegovina Ministry of Defense.

Serb Commander: Muslim-Croats Violating Cease-Fire

LD1706192992 Belgrade TANJUG in English 1901 GMT 17 Jun 92

["Pool" item]

[Text] Belgrade, June 17 (TANJUG)—Commander of the Army of the Serb Republic of Bosnia-Hercegovina, General Ratko Mladic on Wednesday [17 June] sent a letter to commander of the U.N. Protection Force in Yugoslavia (UNPROFOR) General Satish Nambiar, in which he said that Moslem-Croat forces in this war-devastated former Yugoslav republic are violating the cease-fire.

The letter said that 12 brigades from the Republic of Croatia are engaged in the fighting in the territory of Bosnia-Hercegovina, as well as a number of independent units from this neighbouring republic. Gen. Mladic named the exact brigades which are fighting in Bosnia-Hercegovina.

In the early morning hours of June 15, Moslem-Croat forces launched offensives in practically all fronts. Attacks were especially severe in the Hercegovina front, the letter said.

In the territory around the towns of Duvno and Kupres in western Bosnia, these forces fired around 150 shells from multiple rocket launchers on Serb positions on June 16, Gen. Mladic said.

The letter said that there were constant attacks by Croat-Moslem forces in the territory of Sarajevo, and that 17 Serbs were killed in the Sarajevo district of Alipasino Polje because they had refused to be mobilized.

Croat-Moslem forces on Wednesday tried to infiltrate subversive-terrorist groups into the district of Dobrinja in order to take Sarajevo Airport before UNPROFOR takes over its control, Gen. Mladic said.

The attack on the airport had been announced at a press conference on June 16 by Alija Izetbegovic, the president of the rump presidency of Bosnia-Hercegovina (without legally elected representatives of Serbs). At the press conference, Izetbegovic told reporters that the airport would be taken in two day's time, by force if necessary.

Moslem-Croat forces have cut off electricity and water from sources which they control to most parts of the Serb territories of Bosnia-Hercegovina, while they constantly urge for the setting of conditions for bringing in humanitarian aid, the letter said.

Underscoring that the Serb side was opening fire only in defence, Gen. Mladic accused Izetbegovic that he was "persitently urging armed attacks and saying that the Serb people in that republic would be militarily defeated."

Serbs are one of the three constituent nations of Bosnia-Hercegovina. The population of Bosnia-Hercegovina includes, in addition to Serbs (32 percent), Moslems (44 percent) and Croats (17 percent).

"We urge you to take the facts we have presented as our strong protest against the persistent violations of the ceasefire by the Moslem-Croat forces, the open aggression by the armed forces of Croatia on our territory, and the obstruction of a deblockade of Sarajevo Airport and of negotiations on peace in Bosnia-Hercegovina," said the letter.

Bosnian Serbs Losing Touch With Serbia

92BA1070C Zagreb DANAS in Serbo-Croatian 2 Jun 92 p 27

[Article by Marko Barisic: "Wartime Strategy: Doboj Has Still Not Fallen"]

[Text] *The Serbs have occupied Doboj and provided for the transport of arms from Serbia to Bosnian Krajina, but*

they are encircled by the forces of the HVO [Croatian Defense Council] and TO [Territorial Defense Force] of B-H [Bosnia-Hercegovina].

The only communication between Serbian Bosnian Krajina and the Republic of Serbia today passes through Doboj and the Ozren Mountains to the SAO [Serbian Autonomous Region of] Semberija. After the success and advances by the Croatian Defense Council in the Bosnian Sava basin and its continued control over communication in Derventa, Bosanski Brod, Modrica, and Odzak, the Serbian armed forces launched an effort on 2 May to secure backup communications. On that date, the city of Doboj fell to them.

According to refugees today, this happened fraudulently and because of the assessment by the city's Muslim leadership that there would be no fighting there.

The majority of the population in Doboj opstina and in the city itself is Muslim, but in the elections the Serbian Democratic Party [SDS] received a majority, because the Muslims voted for reformists as well as for the SDA [Party of Democratic Action]. When the cabinet posts were distributed, the SDS was courteous enough to present the post of opstina president to a Muslim, while all it demanded for itself was the department of internal affairs. They got it, and that marks the beginning of the submission of Doboj, which experienced its epilogue in only a few days, without real fighting, so to speak. By controlling the SUP [Secretariat of Internal Affairs], the Serbs armed their own villages, especially those near the city and in the nearby Ozren Mountains. When the war began in Bosnia, the Serbs issued an ultimatum to the Muslims, threatening to attack the city if they tried to form a Territorial Defense Force. Instead of that, holding out the prospect of peace, the Muslims accepted a situation where individual points were jointly controlled by the JNA [Yugoslav People's Army] and the reserve police. According to the same formula, joint patrols also occupied all the more important positions in the city and the surrounding area. Several days before the fighting began, the Serbs simply chased the reserve police away from those points, leaving the Muslims and the city practically defenseless. It was occupied on 2 May. The only village where Muslims kept their own sentries was Carsija. On that date, the JNA issued an ultimatum to Carsija to surrender all its heavy weaponry.

Serbs Only

Since there was no weaponry other than light infantry, the artillery and tank attack on that part of the city began even before the ultimatum had expired. However, that part of the city had been completely vacated before the attack, because the Muslim formations of the TO had evacuated the population, so that the Serbian reservists were firing at an empty city. Naturally, the mosques and the Catholic church were destroyed first of all. The reservists entered this part of the city only after three days. That is when the creation of an ethnically pure Doboj began. The sign "Serbs Only" appeared at public facilities and clinics. All the Muslims and Croats who were able fled the city. A massacre of citizens also began, especially of SDA and HDZ [Croatian Democratic Community] activists.

Still, the things that the reservists and Chetniks carried out in the Muslim town of Grapska are utterly beyond comprehension. Grapska is located beyond the road to Doboj, on the other side of the Bosna River. There too, the residents were called upon to surrender their weapons, but when they, recalling the example of eastern Bosnia, refused to do so, fighting began in which the Chetniks suffered heavy losses. Nevertheless, backed up by technology, they entered the town, which is in fact surrounded by Serbian towns, and massacred 85 people—men, women, and children. They threw the dead or the still living onto a funeral pyre. Refugees testify that the organizers of the massacres in Doboj and Grapska were local people, neighbors, such as Nidzo Jorgic, while the coordinator of the entire campaign was a certain Culibrk. Nevertheless, some of the residents managed to get out, while around 450 of them were taken to a concentration camp in Bari, where they live on slices of bread and glasses of water all day long. Some of these prisoners have been shot, while some of them are being kept as hostages. A health service has even been formed in Doboj that treats only Serbs. The head of that service is Dr. Lekic, and Dr. Slavko Medic and Dr. Milenko Rakovic also work there. Similar activities are pursued by the journalists for Doboj's "Serbian" radio, Slavko Rebic, announcer Aleksa Blagojevic, and Zoran Grgurevic, who is especially perverse in his description of how Muslims and Croats should be tortured and killed. The occupation of Doboj was preceded by a full year of preparations by the head of the Doboj SUP, Andrija Belosevic, a Serb from Derventa.

Nevertheless, the battle for Doboj is not over yet. The only communication link that the Serbs have between Bosnian Krajina and the Ozren Mountains, and thus Serbia, passes over Mount Putnik by a macadam road. The other line of communication, which came from the other side of Mount Putnik through the Rudanka region, was cut off by forces of the Croatian Defense Council from the Doboj towns of Foca, Johovac, and Kotorsko. On the other side, in the direction of Tesanj, positions within reach of the city are held by Muslim forces of the TO in Ularici and Alibegovci, while the HVO still holds Sivisi. TO forces are also positioned on the other side of the bridge on the highway to Zenica. The road to Gracanica at the eastern gate to the city is not free either, while the Serbs are maintaining communication with Ozren through the town of Pridjel. South of Pridjel are further positions held by reservists in Sevarliji and Potocani, even if they are held together with the reserve militia, but no one doubts that the Muslim reservists will remain here only as long as this suits the Serbs.

Mladic Calls for Mobilization

In the northwestern part of the city and opstina in the direction of Teslic, which already belongs to the "SAO Bosnian Krajina," are the Serbian villages of Stanovi and Stanari. It is through there that communications and transports of technology and weaponry are passing from Serbia to the Bosnian Krajina.

At least for now, there is no danger of a foray by the Serbs towards the south, i.e., towards Zavidovici, Zepce, and Zenica. The Serbs will be hard-pressed to shift the front further from Rudanka and liberate this line of communication. It is more likely that communication with Serbia will be cut on Mount Putnik, which would in fact mean the commencement of the battle to recapture Doboj. Basically the Serbs are trying to turn the city into an impregnable fortress. They are building fortifications and bunkers, digging trenches, and, incidentally, looting whatever is left. The defenders say that before long they will not have anywhere to take their booty, because they will be completely encircled by the forces of the Croatian Defense Council and the B-H Territorial Defense Force. However, evidence that the "Army of the Serbian Republic of B-H" is also preparing for large-scale operations is provided by the call to general mobilization by the "minister of defense" of that creation, Gen. Ratko Mladic, to his Krajinan population. In any event, it is clear to Mladic that there is no "Serbian Republic of B-H" without lines of communication to Serbia. And they are slowly drying up.

'Chetniks' Fire on EC Observers' Car

LD1706171692 Zagreb HTV Television in Serbo-Croatian 1600 GMT 17 Jun 92

[Excerpt] While in Dubrovnik itself calm, suspense, and caution prevail, EC observers who were caught in a shocking incident were able to see for themselves the situation on this battlefield. Chetniks opened fire at a clearly marked EC car near Komolac on the Adriatic main road. The observers managed to jump out of the bullet-riddled car to shelter, only to find themselves under fire again. Members of the Dubrovnik police managed to rescue them from the Chetnik fire. [passage omitted]

Minister Cites Human, Economic War Losses

AU1806094692 Zagreb VECERNJI LIST in Serbo-Croatian 6 Jun 92 p 2-3

[Unattributed report: "Reconstruction—Most Important Task"]

[Excerpt] Zagreb—The second day of the assembly session started yesterday with the adoption of the Law on Election Units, which the representatives had discussed on 4 June, submitting about 30 amendments. The Declaration on the Protection of the Environment was also adopted, and its final text comprised many proposals made a day earlier by the representatives. The Declaration was adopted on the World Day for the Protection of the Environment.

"We have to employ all our resources in the function of reconstruction, we need a meaningful organization on all levels, and all the programs have to be conceptualized in such a way that they can be implemented immediately and gainfully," Minister for Reconstruction Slavko Degoricija said in his opening speech on the government's plan on the reconstruction of the republic and the return of exiles and refugees. "We are still living in conditions of neither war nor peace, although our country is an internationally recognized member of the UN. People are still getting killed in the war on the territory of Croatia. When we talk about reconstruction we have to remember all those who gave their lives for freedom, for a sovereign and independent Republic of Croatia. Five thousand people have been killed, 20,000 wounded, 6,000 are missing, and 3,100 are still in prisons in Serbia, Montenegro, and Bosnia- Hercegovina. On the territory of Croatia, this war has affected 590 villages, towns, and cities; over 210,000 housing units have been destroyed, 50,000 of which were family houses; 250 churches, 203 primary schools, and 67 secondary schools have been damaged or destroyed.... The total damage on Croatian territory is estimated at almost $20 billion, $13 billion of which are to the economy, $3.5 billion to housing construction, and $1.4 billion to infrastructure." [passage omitted]

Problems With Food, Fuel Shortages in Krajina

92BA1070B Zagreb NOVI VJESNIK in Serbo-Croatian 1 Jun 92 p 4

[Article by Ivica Marijacic: "'Krajinans' Travel by Donkey"]

[Text] *There is less and less food in "Krajina," and because of the fuel shortage the bus lines are shutting down.*

Zadar—The full embargo by the UN Security Council against Serbia will have a profound effect on the situation in the so-called Serbian borderlands.

Even now, people in the Knin "Krajina" are living one day at a time, under conditions of extreme privation. Mother Serbia, the older brother, as it has been called every day by the psychopath Raskovic, has fed and watered its fanatic adherents of the hegemonic ideal. Initially, anything and everything was available. Goods were imported from Serbia and B-H [Bosnia-Hercegovina] but were not paid for, and there were also plenty of treasures from the everyday looting. Problems emerged once the plundered and donated goods were quickly consumed and once there was no longer any desire to endlessly send goods to someone who never paid for them.

In "Krajina" today, there is nothing being produced, there is no money, and there are no basic necessities. For months now there has been no oil; just a few liters in army receptacles for tanks and for military use in general. Now that a total embargo has been imposed, Serbia has nothing to spare, even if it wanted to.

The fact that panic has long dominated the provisions situation and life in general in "Krajina" is alluded to between the lines in reports by so-called Radio Knin. There, the population is informed every day that the regular bus lines are not running, and that it is better for workers and students to stay home. In recent times, there has not even been any fuel for trains. It is beyond all doubt that these are the last days of this wild parastate creation. The shortage could be complete in only a few days or weeks. Although reserve tanks will be consumed quickly and sold at enormous prices, for money that will not be worth anything, and there will not be anyone to hear "Krajina's" cries for help. All of this, of course, could—although it is not certain that it will—result in positive political changes in the sense of complete abandonment of a continuation of the war and a return to Croatia. Because "Krajina's" top terrorist, Martic, announces despite everything that he will not withdraw from the "liberated" areas, which will not fall under the control of the "[blue] helmets." Unfortunately, there are still a lot of Martics in "Krajina." His statements are completely consistent with the "logic" of the criminals who have long had no other choice than to lurch from one crime to another. To them, any peace is dangerous.

Thus, "Krajina" has lapsed into a tribal and primitive level of subsistence. Into conditions where people must travel from Benkovac to Knin on foot, for example. Or perhaps by donkey or horse. In the political sense, moreover, they have already been riding donkeys for too long.

Federal

President Cosic Proposes Coalition Government

LD1706201792 Belgrade TANJUG in English 1908 GMT 17 Jun 92

[Text] Belgrade June 17 (TANJUG)—The President of the Federal Republic of Yugoslavia, Dobrica Cosic, on Wednesday [17 June] proposed to two Serbian opposition parties to take part in the formation of a new coalition Government, but the Democratic Party (DS) refused while the Serbian Renewal Movement (SPO) said it would give an answer in two days.

Cosic said that the creation of a Government of wise men is under way and that his wish is that it should be made up of experts, SPO vice-president and president of the biggest opposition group of deputies in the Serbian Parliament, Slobodan Rakitic, told journalists following talks with the Yugoslav president.

"I rejected the president's invitation for the Democratic Party to take part in a coalition government with regret," said DS leader Dragoljub Micunovic.

The Democratic Party did not take part in the elections for the federal parliament, and this is why "it would be immoral for it to participate in the formation of a new federal government," Micunovic said.

He said he would support the new government if it is efficient and denied that Cosic offered to nominate him as the federal prime minister.

Cosic told the opposition leaders that elections at all levels would be held by the end of the year.

The Democratic Party will take part in these elections and only then would it agree to enter a coalition government, Micunovic said.

Both Micunovic and Rakitic said that Cosic has already started carrying out his promises from his inaugural speech on a dialogue with all parties and the respect of opposing views.

The talks with the Yugoslav president also focused on the situation in Serbia, which he said he understands, but that republican relations do not come within his competence, Micunovic said.

"We should not be impatient and we should believe in the creation of a new political concept, which will enable dialogue," Rakitic said.

"There is no reason for any uncontrolled actions and for problems to be resolved in the street, but this means that all should sacrifice something from their programs," Micunovic said.

Panic Sees 'No Rational Reason' for Intervention

LD1706212992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1820 GMT 17 Jun 92

[Excerpts] Belgrade, 17 June (TANJUG)—There is no rational reason for military intervention in the Federal Republic of Yugoslavia. Consequently, there are no grounds for defeatism and fears of someone's intentions to bombard our cities or some other vital targets, Yugoslav Army Chief of Staff Zivota Panic said in an interview which will be published in tomorrow's edition of the VOJSKA [Army] weekly.

Noting that this possibility ought to be considered seriously in order to forestall any surprise, Panic said that the state leadership has already produced sufficient evidence in support of its commitment to a peaceful solution of the crisis and that the army will operate in line with these commitments.

Panic said: "We are aware that any unnecessary confrontation with the international community, which meted out such strict sanctions, would only encourage the advocates of military options, thereby rendering war and intervention inevitable."

If foreign intervention takes place in spite of our readiness to contribute to the establishment of peace, "we will resist, using all the means at our disposal, we are already prepared for this, regardless of all problems"—General Panic was categorical.

In which case, as he said, the aggressor must expect total warfare, "something that implies huge losses on the part of both warring parties and our corresponding revenge."

Commenting on the military and political position of the Federal Republic of Yugoslavia, General Panic stressed that the neighboring countries, save Romania, "are in a hostile mood" and "that they are staking out, quite openly, their old territorial claims while inciting their own national minorities to rebellion and disloyalty," ignoring the fact that, as he said, the minorities would be the victims in any clash triggered off in such a way.

Panic regarded "the belief that a change of the regime would automatically ease pressure on Serbia" as naive.

Panic said: "On the contrary, a violent toppling of the regime would bring about even deeper splits in Serbia, something that may be an introduction to an all-out civil war of tragic consequences."

Pointing to some of the results in implementing the process of the Yugoslav Army's transformation, General Panic said that all specific organizational issues would be regulated by an adequate law, the draft of which is already being drawn up. In this context, he noted that there is not a single element in the army which has not already been affected by this transformation.

General Panic said: "We have formed and located the commands of strategic groupings and operational units in all three services; along main communications lines,

we have combat-ready joint tactical units with enough personnel; we successfully control about 2,700 km of state borders on the ground and 110 at sea; national service has been organized according to a new system, we recruit soldiers who are under contract with the army; we are totally depoliticized. Hence, we are a truly non-partisan and state army which only defends its homeland."

The chief of staff announced that all secondary-level military schools will soon close down because low-ranking officers will receive their education after graduating from civilian high schools within their term of national service. He explained that the current six military academies will be transformed into one. [passage omitted]

Commenting on the fact that, with the secession of four republics, the Yugoslav army has been deprived of considerable military capacity, General Panic said that there are alternative solutions.

He particularly stressed that the military industry located on the territory of Serbia and Montenegro amounts to 48 percent of the entire military industry of former Yugoslavia, and that some 45 percent of the total workforce employed in the former Yugoslav production of arms and military equipment is working on the territory of these two republics.

UN Secretary General Report Assessed as 'Positive'

LD1706200392 Belgrade TANJUG in English 1345 GMT 17 Jun 92

[Text] Belgrade, June 17 (TANJUG)—The consultations in the United Nations Security Council about the latest report by U.N. Secretary General Butrus Butrus Ghali on the Yugoslav crisis was assessed as positive in the Belgrade diplomatic circles on Wednesday [17 June].

These circles stressed that the consultations borne out the stands in Butrus Ghali's report that the blame for the clashes in the former Yugoslav Republic of Bosnia-Hercegovina (BiH) was to be evenly distributed on Croatia and Serbia. However, as set out, this in no way meant that easing of sanctions against the Federal Republic of Yugoslavia (SRJ), i.e., its republics—Serbia and Montenegro, even less lifting of the sanctions, may be expected in the near future.

The SRJ has met nearly all the key demands of the Security Council—recognition of territorial integrity of the BiH and withdrawal of the Yugoslav Army from this republic.

Nevertheless, possible easing of sanctions was not even thought of in both the United Nations and the European Community. On the contrary.

The introduction of visas for Yugoslav citizens by the Benelux countries, the increasingly frequent demands for the reduction of Yugoslav diplomatic representations abroad and threats of a military intervention showed that pressures on the SRJ were mounting.

Denying hospitality to minister-councellor of the Yugoslav Mission at the E.C. Ivan Mrkic blended well into this escalation of pressures. Mrkic was also deputy head of the Yugoslav mission at the E.C.

Instead of keeping open all channels for communication, all the more so since it sponsored both conferences—on Yugoslavia and on the BiH, the E.C. opted for a 'no dialogue' policy toward Yugoslavia.

Under these circumstances, increasingly frequent assessments about a possible military intervention came as no surprise. Such a scenario went well with "poking" into the problem in the Serbian provinces of Kosovo and Metohija and Vojvodina, which have a large ethnic Albanian and ethnic Hungarian national minorities, respectively.

True, the situation in Kosovo has not been a good one for some time, but has remained far from military conflict to date. The impression, however, was that the protagonists of stern sanctions against Yugoslavia wished for just such a conflict in Kosovo and Metohija, as this would provide them with a pretext for military intervention.

Nonetheless, it was now clear that the chief condition for lifting the sanctions was not the one set out in the U.N. Security Council Resolution 757, but was to be found in overthrowing the Serbian regime. This was something openly discussed in Washington and in some E.C. member states' capitals.

Unfortunately, the people was being victimized and this was why the statements of Europe's statesmen and politicians to the effect that the sanctions were not aimed against the Serbian people have an almost vulgar ring to it.

What course would the events take in the near future regarding the blockade was hard to say. More light was likely to be shed on this following the Bush-Yeltsin talks. Their possible accord on solving the Yugoslav crisis would exert strong influence on the CSCE, the European Community and the United Nations.

The new Yugoslav Government, expected soon, as well as the federal diplomacy would have no easy task. Renewal, i.e. re-establishing contacts, with the world in the present circumstances would be tantamount to a worthy accomplishment.

Serbia

Prime Minister Addresses Assembly on UN Sanctions

AU1706130992 Belgrade Radio Beograd Network in Serbo-Croatian 1024 GMT 17 June 92

[Speech by Radoman Bozovic, prime minister of the Republic of Serbia, to the Assembly of the Republic of Serbia in Belgrade—live in progress]

[Text] ...In the sphere of political and diplomatic contacts, we have had talks with representatives of France, Russia, China, and other countries. In the next few days, the foreign minister will have separate meetings with the secretary general of the United Nations, Mr. Butrus Butrus Ghali, and heads of the diplomatic missions of the permanent and nonpermanent members of the Security Council. All these activities—those that have been completed and those that are continuing or are being planned—are aimed at demonstrating to the Security Council, some of its members, and the United Nations Organization as a whole, a readiness—accompanied by specific acts and decisions—to accept all the demands in Resolutions 752 and 757 which can realistically be met.

In the Security Council's latest report on the implementation of Resolution 757, which was discussed yesterday, in virtually all the most important questions regarding the fighting in Bosnia-Hercegovina the so-called Serbian and Croatian sides are placed on an equal footing. Regarding the participation of foreign forces in the war in Bosnia-Hercegovina, it is cited that the governments in both Zagreb and Belgrade are categorically insisting on them not intervening militarily in Bosnia-Hercegovina and that armed Serbs and Croats in Bosnia-Hercegovina are citizens of this republic who are not under the control of Belgrade or Zagreb.

I quote the report. The practice of expelling citizens from areas in Bosnia-Hercegovina and in other parts of the former SFRY is continuing and in Point 13 of this report it is specifically said that individuals and groups of Croatian nationality are mistreating members of the Serbian minorities. It is also cited that leaders of the Serbian [Bozovic corrects himself] Party of Democratic Action are repeating that they are not willing to continue the talks under the auspices of the EC, while the Serbian side has called for these negotiations to continue.

It is concluded that there has been limited progress in implementing the efforts of the United Nations in resolving the fighting in Bosnia-Hercegovina in line with the latest facts.

The neglect of these facts inevitably leads us to the conclusion that these Security Council measures have some additional aim and task that go beyond the rights and competences of even the UN Security Council because they enter the sphere of pressure, blackmail, and interference in the domestic affairs of a country. This government is not ready to accept this blackmail. Despite this, the Government of the Republic of Serbia remains open to and will itself initiate dialogue and diplomatic and other activities regarding the UN Organization, the Security Council, some of its members, and all important international factors with the aim of solving all open questions in the search for the solution to the Yugoslav state crisis.

Respected Deputies, one thing is indisputable: the UN sanctions are going to cause serious damage to the Serbian economy. Generally speaking, this damage will be reflected in the repression of the economic and market reforms and ownership transformations that have begun, as well as in a considerable drop in production, employment, and the standard of living. Therefore, it is necessary to do everything in the diplomatic, state, and practical sphere to get these sanctions lifted. Enterprises have been left to cope by themselves in the broadest possible meaning of the phrase.

We are aware of the fact that it is necessary to do everything to get these unjustifiably introduced measures lifted and to not allow living under a blockade to become a habit. The government has been taking a number of specific measures to alleviate the consequences of these sanctions. Regulations have been introduced that restrict citizens and economic factors in taking foreign currency [efektivni strani novac] out of the country, the control of exports has been intensified to prevent export of goods needed in the domestic market, and paying for imports and charging for exports under these conditions have been specially regulated. The way of paying foreign countries under the conditions of the blockade and the shortage of foreign currency make the purchase of apartments in foreign currency and the purchase of foreign currency according to the official exchange rate [otkup deviza po osnovu menjackih poslova] additionally justifiable.

In the area of finances, part of the foreign exchange on the accounts of authorized banks abroad has been converted into stocks and brought into our country. Part of the foreign currency of authorized banks abroad has been transferred to the accounts of banks in countries that will probably not completely implement the expected measures of the blockade. Part of our state's foreign exchange reserves that are kept abroad through the National Bank of Yugoslavia and commercial banks has been brought into the country, and a part has been transferred to accounts in countries with a lower risk. Quick payment was carried out for certain purposes, above all for oil and medicines. Payment of all current fixed and guaranteed obligations to foreign countries that introduced economic sanctions has been stopped, except to the IMF and the International Bank, due to special interests.

With the shortage of foreign exchange for payment, the possibility has again been introduced of paying for and charging exported goods and services through a dinar deposit [nerezidualan] account. The accounts of the foreign banks that have links with authorized banks in our country on the basis of reciprocity have been frozen. Priorities in payments to foreign countries have been established.

When proposing amendments to the law on the Budget of the Republic of Serbia for 1992, an advantage was given to certain expenses that have an impact on the new situation; expenses have been considerably increased for social protection and all kinds of interventions in the economy that contribute to employing domestic facilities. In the area of energy, there were many problems in

ensuring imports of oil and oil derivatives even before the measures of economic blockade were introduced, due to delivery problems after the Yugoslav oil pipeline stopped working.

After the economic blockade measures were introduced, new plans were made for oil derivatives consumption which envisage a decrease in monthly consumption of about 40 percent. Special measures have been taken with a view to purchasing considerable quantities of crude oil on the free market in a short time and ensuring its delivery to refineries before some countries made specific decisions about implementing economic blockade measures. Modalities are being elaborated for a further purchase of oil and oil derivatives under the conditions of the introduced oil blockade, as well as an increase of domestic oil production to the levels allowed by technical and technological capabilities. Three variants of an energy plan in the sphere of oil and oil derivatives have been made according to the supposed intensity of the implementation and length of the oil embargo.

The changes of the structure of power consumption and restrictions are based on the measures directed toward protecting citizens and maintaining production. In the area of transport, an intensification of railroad transportation is being carried out, as well as the restructuring of road transportation and the reduction of cargo transportation by about 40 percent.

A plan has been made to ensure that there are sufficient oil derivatives for harvesting and that harvesting will be carried out successfully. Regarding natural gas, monthly consumption plans are being made because there are certain problems with the delivery of gas. In order to make work possible for big enterprises, as well as those of special importance for the republic, an increased production of domestic natural gas is being ensured so that the level of restriction has been set to about 15 to 20 percent.

Apart from meeting local needs, the projected electrical supply will allow the export of a certain amount of surplus. While the economic blockade lasts, the projected energy supply will meet the power needs previously met by other forms of energy.

In coal production, priority has been given to the production of dry lignite, brown coal, and raw lignite to make up for the lack of coal. Significant changes to the fuel usage structure are under way and [word indistinct] machinery which use heating oil. Specific means for converting to solid fuels or electricity are being established with the goals of prompt conversion and preparation for the cold season.

The effects of the economic blockade will be most drastically suffered by industry because of the shortage of raw materials, semi- finished products, spare parts, and lost markets. Serbian industry is greatly dependent on imports and exports. The (?average) participation in all exports is around 80 percent and imports around 65 percent, which shows that the blockade will have the most serious effect on industrial production, particularly the branches that are 90 percent or more dependent on imports. There are at the moment no alternative sources to imported raw materials, which means their shortage has already led to reduced production and may even require a complete halt in some enterprises.

Stopping production in some sectors will affect enterprises which are not directly dependent on imports but depend indirectly on the production process. There has also been reduced production in enterprises where raw materials and semi-finished products came from domestic sources and that have been exporting most of their production or employed workers to finish off products for export.

One limit on industrial production is the inadequate supply of some key imported raw materials and semi-finished products which are impossible to purchase now. The ban on exports has led to reduced production and 20 percent of employed workers being sent on leave, including regular leave. It is estimated that for these reasons many workers will not be on duty in July, which will cause further problems.

In cooperation with enterprises and the Economic Chamber, the related ministries have formulated practical projects intended to alleviate the consequences of the blockade, such as controlling levels of strategic imported raw materials and semi-finished products; substitution for imported raw materials and the subsequent financial support for this; and financial support, above all, to compensate for the wages lost to workers taken off the job.

Regarding the influence of the sanctions on agricultural production, the inventory of food supplies, and economic indicators in these sectors, these effects will not be as great as in other sectors. The negative consequences primarily will be in trade involving agricultural products. We have started to control the levels of supplies, production, and consumption of food and the necessary energy sources, semi-finished products, packaging, spare parts, and other needs in agriculture, forestry, and the water industry.

The Serbian Government has established the extent of basic foodstuff supplies, and despite all the difficulties caused by the blockade, Serbians should not be worried about food supplies. The supplies of basic agricultural products, wheat, edible oil, sugar, meat, milk, and other products have been ensured.

The state of the spring crops guarantees a regular supply for all the other most important food products. Regulations have been introduced which stop the export of basic foodstuffs. According to information from the market and despite the fact that deliveries have been doubled, the strong rise in demand, which for some products is several times greater than usual, leaves the impression that there are insufficient supplies of basic foodstuffs.

Measures have been prepared to fully control the supplies of basic foodstuffs and other basic consumer needs. These measures range from establishing special regulations in shops to the efficient provision of supplies. In order to ensure more organized access to the market for the purchase of wheat through the institution of commodity reserves, and apart from stimulative purchase prices and established priorities in the supply of diesel fuel for harvest needs, other resources will be provided.

In order to ensure more organized access to the market for wheat, the state commodity reserves will take responsibility for buying up the entire harvest.

Application of the sanctions will have a particularly bad effect on employment. Disturbances in production will require certain enterprises to stop operations, which will lead to the temporary exclusion of many workers in varying sectors.

The government is taking measures so that all workers employed at enterprises affected by the sanctions will remain at work and that problems will be dealt with by using paid leave with corresponding wage bonuses, shortening working hours, and other measures. Funds for these purposes will be provided by enterprises, the joint reserves fund, the Institute for Labor, and the republic budget.

As has been the case so far, the government's priority will be providing funds for the regular payment of pensions and the corresponding adjustments, compensation during temporary unemployment, social benefits, and the welfare of children, veterans, and those disabled by the war.

The government is resolving some basic imbalances in republic health services, as the corresponding ministry has developed a program for managing the amount and composition of medicines, medical equipment, and other health service equipment materials necessary to provide essential health protection.

Respected deputies, considering the limits inherent in our economic and social systems which have been caused by the economic blockade, the basic goal is to define a basic package of economic policy measures to alleviate the consequences of the sanctions and attempt to check the current hyperinflation. I am talking about macroeconomic regulations that should make it easier for the economy to survive the sanctions and reduce inflation from around 110 percent a month at present to about 20 percent a month. As the sanctions are going to have a serious effect on the economy even if they last only a couple of months, the government has prepared an economic program, with the help of experts advising the economic council, that it is proposing to the new federal government. These measures are going to alleviate the consequences of the sanctions and prevent economic chaos and the sudden aggravation of a social situation that is being hinted at.

Under these conditions, we have no choice but to approve a package of economic restrictions. These can partially alleviate the negative consequences of the sanctions and create conditions for the economy to sail through the sanctions in the months ahead with as few shocks as possible. If in July one sees that there are no chances of the sanctions being lifted in the foreseeable future, then our economy would have to be reoriented as soon as possible to work under the conditions in which commodities and factors would be redistributed. If sanctions are lifted within two or three months, the economic policy would have to be adjusted accordingly. In that case, a special program of short-term measures would be adopted for the period until the end of 1992 to facilitate revitalization and increasing pressure on hyperinflation. Besides, one should also prepare a long-term program of market reform for the economy in which a consistent anti-inflation program and a comprehensive program of ownership transformation of the economy would represent initial actions.

Proceeding from all this, the program presented by the Serbian Government is based on measures involving credit, monetary policy, and fiscal policy projected in the budget and will be strengthened by wage and price controls. The internal consistency of the proposed economic policy will be pursued through the dinar exchange rate and trade regulations, which should allow the realization of the program to the greatest possible extent.

The restrictiveness of the program is reflected in the fact that all expenditures, particularly public and personal spending, will have to be brought within the limits of available income.

As a harsh fall in production will be impossible to avoid over the next couple of months, it is clear that such a program is necessary. Otherwise, general economic and social chaos is inevitable. The first policy goal must be to introduce monetary and financial discipline, without which no kind of policy would be possible as accelerated inflation is possible over the next few months. This would only hasten the collapse of the economy. The imposition of monetary and financial discipline must be carried out by the National Bank of Yugoslavia.

Evidence exists which implies that the loss of monetary and fiscal control was the basic mechanism that generated inflation and that the unsupervised issue of currency contributed considerably to a rapid increase in the black market dinar exchange rate. It is inevitable that we depart from our projections in production, which is expected to drop approximately 40 percent in the second half of the year, from inflation of approximately 20 percent [as heard] per month, and from precisely established and limited requirements to finance the budget and selected additional priorities from the issue of currency.

Within this concept, measures we should carry out include a replacement and redenomination of the dinar,

which would be accompanied by a corresponding devaluation. A realistic exchange rate for the dinar will be of special significance for the success of the program. The introduction of monetary controls and financial discipline should stabilize the exchange rate at a realistic level. The exchange rate should be kept relatively stable in the next two to three months and would be changed only as part of the changes in other factors [agregat]. Other economic measures, especially those involving trade and financial transactions with other countries, should be subordinated to this. Within our international economic relations we must ensure the following during the coming months while the measures continue: Supervision of the process for taking foreign currency out of the country; creation of several mechanisms that would facilitate guaranteed payment for the exported goods and services; changing the transportation process for goods [robni rezim]; and the rigorous conservation of foreign currency.

During that period, we must ensure that imports be bought on a barter basis to the greatest extent possible. It is estimated that the republic deficit amounts to 10 to 15 percent of GNP, which is partially financed by the currency issue and partially through uncovered losses and unrealized obligations. The federal budget situation, where the deficit is covered through the issue of currency, is especially difficult. All of this contributed powerfully to inflation.

The GNP continues to fall, public expenditure continues to grow, while the real sources [realni izvori] do not provide sufficient income. Rigorous reduction in public expenditure is inevitable. It is inevitable that we realize the economic policy goals regarding public spending. This should be reduced to approximately 40 percent of GNP, which would mean a reduction in public expenditure of over 20 percent in real terms. Reduction of the budget deficit and its financing through the money supply should not create too much inflationary pressure.

With a sharp reduction in the amount of public spending in real terms and with the reduction of the budget deficit, we should reduce inflationary pressure considerably and simultaneously facilitate the industrial operations in the extremely difficult circumstances created by the economic blockade.

Since we expect declining production during the next few months, we must tailor revenue policy accordingly. This could be realized by agreement among the government, trade unions, and chambers [of industry] so that a nominal upper limit of earnings that companies, institutions, and state organs would be allowed to pay out would be established. The upper limit would relate to the average earnings of conditionally unqualified workers [uslovno nekvalifikovani radnik], while the employers and employees would be given the freedom to establish the ratio of earnings in companies and other organizations. Such a mechanism will be unavoidable when production is expected to fall in nearly all industrial sectors and when a certain number of companies will close temporarily. Otherwise, industrial losses will increase enormously, as will the deficit in all sectors of public spending.

A certain amount of price control is inevitable in the conditions created by the economic blockade. If the sanctions last considerably longer than three months, than general price controls and rationing cannot be avoided. We must do everything possible so that this does not happen. Even in these circumstances, however, the state must play an active role in price policy. The controlled prices would first be matched with other prices to a degree and any disparity would be abolished. Then they would be frozen at that level for the near future. A certain stability in pricing would be secured, as these are mostly goods and services that have the character of primary inputs [karakter primarnih inputa], while the standard of living of the population would be protected as much as possible.

If the sanctions do not last longer than two or three months, then economic policy could facilitate future industrial restructuring. The entire program is designed as an accelerated restructuring process covering industry, public and personal spending, certain prices, and earnings.

Esteemed national deputies! Bearing in mind the we must quickly and simultaneously undertake all the measures in order to abolish the blockade, the Government of the Republic of Serbia is doing all it can to alleviate their consequences. The government also demands, however, speedy adoption of the economic measures, through which we will move to alleviate the negative consequences of the sanctions and reduce inflation.

Appreciating the importance of the topic that we are discussing today, I believe it essential that in a democratic dialogue we listen to the proposals of the individual clubs of deputies. We should search for solutions on the basis of democratic dialogue, especially as to what should be done in which department so that the sanctions unjustly introduced against our country shall be abolished as soon as possible. Thank you!

Milosevic Addresses Belgrade Students, Professors

AU1806115092 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 17 Jun 92

[Statement by Slobodan Milosevic, president of the Republic of Serbia, to a delegation of Belgrade students and professors in Belgrade on 17 June—recorded]

[Text] Regarding what you said, I will briefly tell you several things. First of all, Serbia has not fallen and Serbia will not fall. Everything that has come down on us and is pressing us, has happened just because we have preserved our integrity and the dignity of our people, and because the forces whose only aim was to break the entire Yugoslavia into smithereens and then do the same to Serbia, have not managed to accomplish their aim.

This is why such unprecedented pressure has been applied against us. A response to this pressure and the way out can only lie in the unification of all forces in Serbia for the good of Serbia, and not, unfortunately in some of them siding with those who are applying pressure.

It is quite clear that no one can destabilize Serbia with outside pressure. This is why they have turned toward the idea of destabilizing Serbia and causing a conflict inside it, toward the idea of Serbs starting to kill one another, without our enemy bloodying its hands, thus leaving us this dirty job to do for them.

A few minutes ago you said that a civil war must not occur. I am telling you here that we will keep Serbia out of a civil war by all means. We will not let anybody get killed, nor blood to be shed in these streets. If you say that the disintegration of Yugoslavia, which was bloody and unjust and occurred under enormous pressure, resulted in some significant results, then the most significant result is in fact that no war was waged on an even one single square centimeter of this republic, that blood was not shed anywhere, and that great help was extended to the Serbian people outside Serbia to preserve their dignity and their integrity, to be protected within their ethnic border with the greatest possible protection of the entire world, and to be, as regards the section of Serbs in Bosnia, on the way to finding a solution that will enable it to have equality and dignity and a life in line with their interests and their tenets.

We hurried to create the Federal Republic of Yugoslavia against all the demands that we were exposed to, and all the pressures that we were subjected to at the conference in The Hague and Brussels. We hurried because the document that abolishes Yugoslavia and divides it into small pieces and that envisages in its annex, which was shown to all the expert groups, that in the final division of Yugoslavia, Serbia, too, would have to accept a special status for Kosovo, northern Vojvodina, Dimitrovgrad, Bosilegrad, Sandzak and Ulcinj down in Montenegro was not acceptable to us. This is why we did not want it and could not accept it, nor would I accept it today.

Who could accept such a fragmentation of one's own homeland, and could this nation, and not only the Serbian nation, since one third of the population in Serbia are not Serbs, would they accept such fragmentation of their homeland. I do not think that they would.

However, if we made a mistake by doing this, if we think that they would accept it, then let them decide themselves whether this was a mistake. I am deeply convinced that accepting the fragmentation of Serbia would abolish everything positive that has happened with the unification of Serbia and put the Serbian people outside Serbia in the position of no longer having support for their historic aims, that they would have no support for their successful political, cultural, and every other kind of development.

Therefore, I am deeply convinced that the entire policy was in fact in the interests of Serbia and that one cannot talk about Serbia's fall at all, but about the fall of the policy that failed to break up Serbia. We are a small and yet a big country because we have (?resisted) such great pressures and remained on our feet and preserved our integrity and dignity. We are not attacking anybody, we are not waging a war against anyone. We cannot be a subject of anyone's aggression or stories about some kind of bombardment and other defeatist prospects that are used to sow fear in order to make one's heart drop to one's feet, and then make compromises that would prevent the possibility of the long-term strategic, national, and historic aims of this nation and this state from being accomplished.

Despite everything that has been happening, despite calls by the opposition parties that do not have much of a standing among the people for the boycott of elections, the people gave their answer. The people came out in the elections. Therefore, whose will and authority can be installed other than the authority of the people? Therefore, the people gave their answer. The answer was not given at the election two years ago, but 10 days ago, and if need be they will give it again.

In the consultations with the deputies of the Socialist Party of Serbia a few days ago, or rather yesterday, I said with regard to all these possible elections that are constantly being mentioned that when this dramatic situation in which I am is over, I will advise you to ask the opposition when they want to have elections. The party will again win as it did, because it has been clearly demonstrated that no one can cheat the people. There is no other formula for Serbia or any other country in the world other than a democratic formula. The democratic formula means the respect of the will of the majority. This means that a minority must also respect the will of the majority, and because it has failed in the election, the minority cannot shout, beg, and threaten continually that power should be given to it without the people's will.

We in Serbia are not making a hierarchy nor are we creating first, second, or third class citizens. All citizens are equal for us. Therefore, you as professors of the university are completely equal to me in politics as the farmers or workers throughout Serbia. Your view cannot carry more weight than the views of the workers or farmers, nor, and I must say this quite frankly, do I consider these consultations or talks more important than the talks with workers in some enterprise or with farmers throughout Serbia. The citizens of Serbia can decide on their future all together, they can decide on their fate in the way the majority thinks is correct and necessary for Serbia.

I can tell you that I am convinced of something, of something that I found to be true during my short period of involvement in politics—as you know I am not a professional politician. No one can cheat the people, not

with phrases, promises, manipulation of words, or producing one kind or anther kind of culprit. The people know exactly what is behind different demands.

You are speaking on behalf of students. I received students yesterday, on 15 June, and on 12 June. The students to whom I spoke were from the universities of Novi Sad, Nis, and from other communities, and from here in Belgrade. For instance, they said very different things from what I heard here today. As the rector said a few minutes ago, some are demanding one thing, others something else. Who should be the arbiter in this, but the people.

Can we say that the university is the body that should discuss at its board meetings how the policy of the state should be conducted? I do not think so. I think that it would not be good if this happened. As regards the university itself, I would like to tell you and demand from you as responsible people who are running the university to try to protect the students from being pulled into party conflicts. We have done much to ensure that the university and its autonomy are respected, to ensure that the students, young people, who will assume responsibility in society once they graduate, are protected from being pulled into party conflicts. Unfortunately, you have not done that.

A university cannot be politicized, and one cannot allow party confrontations and party conflicts at the university. If you want good things for the youth, then you should bear this in mind. For instance, I received a large number of messages from parents who are energetically protesting against politicization at the university, as well as from parents who are now sending their children to take university entrance examinations. They are asking themselves: Where are we sending our children? Is it not possible to respect the autonomy of the university? Can and should the university allow itself to become the battlefield for various political conflicts?

I think that in this respect you have a great responsibility and I think that it is in our national interest that the university, and above all students, be protected from being used for any kind of party conflicts and party demands.

You asked how this should be done and what the way out was. The way out lies in fact in—despite all the pressures that we are being subjected to, and we are subjected to them because we did not accept our homeland being abolished, the homeland that all of us consider our only homeland because we do not have another one—our homeland, which we have now created, in this joint state, the Federal Republic of Yugoslavia, setting itself up as soon as possible, standing on its feet as soon as possible, and starting to function as soon as possible with all of its institutions.

We have held elections, we have set up the parliament, and have elected the president of the republic. In a few days time, we will have a government that will assume enormous powers, which have so far been vested in the former republics. Therefore, we will have a competent state that will be able to establish relations with our neighbors on equal footing.

This will, of course, demand serious reconstruction in the government of our republic. All those who want to put forward their candidates, and they were even asked by the head of the government to do so, as we did two years ago after the elections, when we asked opposition leaders, despite the fact that we won the election victory, to nominate their candidates in the interest of these people, of setting up the best government possible, and of joint efforts to resolve our national problems.

I was then told: Mr. President we will support the national interests of Serbia, but do not want to be part of the government because we want to criticize it and bring it down. Should this be done in any case, even before it is known how the government will work and whether it will achieve results? However, I say again, no one can pass judgment on this but the citizens of Serbia.

The main thing that we should preserve, and I hope that not only you but all the citizens of Serbia will agree with this, is peace. There is no peace if power in Serbia starts to be won by force. Every power assumed through force will be brought down with force. Therefore, power in Serbia, like in this Yugoslavia, must be won only through democratic elections, with peace, and in a legal way, with the legitimacy that can only be given by the citizens.

You said that one should bear in mind different views. This is correct. On should bear in mind different views and different opinions. You said that different views and opinions should be respected. This is correct. However, they should first of all be borne in mind, but it is only the will of the people that should be respected when it come to the running of a state, and not the will of various individuals, groups, parties, party factions, or other factors of political life, which, as you know, is very diverse in our country with some 70 different parties and various other groups of which at least one half probably has no membership at all.

Therefore, we do not have any other way but the way that will ensure peace, that will protect Serbia from a civil war, that will unite all patriotic and democratic forces, because the government in Yugoslavia should be a government of democratic unity, and I would also say, a government of patriotic unity, just as the government in Serbia should be a government of democratic and patriotic unity.

Let everyone contribute toward this. Contributions are not only made with denials, but also with proposals, offers, support, and readiness to seriously get down to work and resolve issues. If everyone in Serbia today did what only his duty was, this would be the best contribution to Serbia. I think that every citizen of Serbia should bear this in mind. I am convinced that united and firmly on our feet with our heart in our chest rather than at our feet, we can protect the policy, the interests of these people, and the interests of this state, both Serbia and the

Federal Republic of Yugoslavia, as people who know what they are doing and not as cowards who would with the first threat surrender the people, the state, integrity, parts of the country, territory, and everything else that they can give.

I think that no one has the right to take what belongs to us. We have never demanded what does not belong to us. Therefore, we fought and conducted a policy that in our deep belief was just and was deeply in the interests of this nation. We will continue to conduct our policy in this sense. All other things and proposals, including your proposals, can only be decided by the people, and not by anyone on their behalf.

Students Disappointed With Talks

LD1706181992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1742 GMT 17 Jun 92

[Text] Belgrade, 17 Jun (TANJUG)—We are utterly disappointed with today's meeting with the Serbian president, students who were members of the Belgrade university delegation that met republican President Slobodan Milosevic said at a press conference.

During the meeting, which took place at the request of the university teaching council, the republican president did not say a word about the well-known student demands, which were handed over to him, the student delegates said.

Milosevic said that he could not go to the requested talks with students tomorrow, but, according to the student delegates, he accepted the invitation in principle, adding that he would "come in the next few days."

Milosevic Talks With Greeks on Yugoslav Crisis

LD1706222592 Belgrade TANJUG in English 2027 GMT 17 Jun 92

[Text] Belgrade, June 17 (TANJUG)—Serbian President Slobodan Milosevic conferred in Belgrade on Wednesday [17 June] with Ambassador Loukas Tsilas, the personal envoy of Greek Prime Minister Konstandinos Mitsotakis, and with Greek Ambassador to Yugoslavia Elevtherios Karayiannis, on questions in connection with the Yugoslav Crisis.

The Greek diplomats' visit to Belgrade was agreed in consultations between Greece and the Portuguese Presidency of the European Community.

The frank discussion in Belgrade brought to light the importance of friendly relations and successful cooperation between Yugoslavia and Greece to stability in the region.

The Athens Foreign Ministry issued a statement earlier today to the effect that Prime Minister Mitsotakis, who also heads the Foreign Ministry, had dispatched the diplomats 'in an effort to persuade the leadership of new Yugoslavia, and President Milosevic personally, to assist with dialogue and on the basis of principles (towards) a settlement of the crisis, within the framework of the Conference on Yugoslavia under the presidency of Lord Carrington...'

Ambassador Tsilas is chief of Mitsotakis's cabinet.

Ambassador Karayiannis was recalled for consultations last month, along with the other E.C. ambassadors in Belgrade.

Their mission is regarded in Athens as 'Greece's initiative' for resolving the crisis, and it takes place in the wake of the E.C. ministerial conference in Luxembourg on Monday and the visit to Athens on Tuesday of Portuguese Prime Minister Anibal Cavaco Silva. Portugal holds the E.C. rotating presidency.

Greece urges a peaceful settlement within the conference chaired by Lord Carrington, without changing Yugoslavia's external and internal borders, and says that similar questions in the republics should be dealt with in a similar way. It advocates a form of autonomy for Kosovo's ethnic Albanians without giving them the right to secede, and the same rights for the ethnic minorities in the other republics.

Athens has recognized Croatia, Slovenia and Bosnia-Hercegovina as independent states and was the only E.C. state to send its delegation to the proclamation of the Federal Republic of Yugoslavia in Belgrade on May 27.

Greece is applying the United Nations' sanctions against Yugoslavia, but does not blame only its constituent republics of Serbia and Montenegro for the crisis in Bosnia-Hercegovina.

Montenegro

Ruling Party, Opposition Fail To Reach Agreement

LD1706230592 Belgrade TANJUG Domestic Service in Serbo-Croatian 1950 GMT 17 Jun 92

[Text] Podgorica, 17 Jun (TANJUG)—After six hours of talks today Montenegro's authorities and opposition failed to reach any specific compromise or agreement on the political and institutional forms of their involvement, possible solutions to maintain civic peace in the Republic, and how to overcome the current situation brought about by domestic circumstances and the introduction of sanctions by the international community alike.

Both sides have remained, in effect, at the initial positions they held prior to today's meeting in Montenegro's Presidency building at the initiative of some political parties.

The key aim of the meeting was to form an antiwar coalition or a government of national unity in the Republic.

The representatives of the authorities suggested to the opposition to set up a council of civic peace and national equality, but this suggestion did not come anywhere close to what the parliamentary parties demand as they maintain that this is, perhaps, a solution for only one of Montenegro's current problems.

The political opposition is demanding a radical transformation of the Republic's authorities, their policies and status, and of Montenegro's status. Consequently, it presented the authorities with 11 very specific and open demands, the most crucial of which are the formation of a government of civic unity, placing the army under civilian control, recognition of the sovereignty of all the former Yugoslav units, and the adoption of UN Security Council's Resolutions 752 and 757.

President of the Montenegrin Government Milo Djukanovic regarded these and other demands as "the opposition's attempt to seize power through the backdoor" and even, as he said, as a by-pass way of creating a sovereign Montenegro.

Today's meeting, attended by the representatives of 10 parliamentary parties, at which Montenegro's opposition demonstrated more unity than on any other occasion so far, was largely marked by mutual confrontation and ended with no specific conclusions or agreement.

In the words of Montenegrin Presidency President Momir Bulatovic, who chaired the meeting, there is a possibility of including some of the issues raised in a procedure of consideration by the Republic's Assembly.

The most disputable demands included the formation of a government of civic unity while the Montenegrin Assembly, the Presidency, and the present government should perform their duties until such a government has been formed.

The representatives of the authorities maintain that these demands are too radical and amount to a fundamental political change, while the opposition maintains that a government of civic unity is, as it was said, the only chance for Montenegro to avert military intervention, civil war, and eventually starvation.